

By Mr. McCLINTOCK of Ohio: A bill (H. R. 7192) granting a pension to James J. Lenhart; to the Committee on Invalid Pensions.

By Mr. PARSONS: A bill (H. R. 7193) granting a pension to Susan Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7194) granting a pension to Clara K. Brandon; to the Committee on Pensions.

By Mr. SABATH: A bill (H. R. 7195) granting a pension to Joseph Kotrsal; to the Committee on Pensions.

Also, a bill (H. R. 7196) for the relief of Tony Krenc; to the Committee on Claims.

Also, a bill (H. R. 7197) for the relief of Joseph Sustowski; to the Committee on Claims.

Also, a bill (H. R. 7198) for the relief of the Boston Store Co., a corporation, Chicago, Ill.; to the Committee on Claims.

Also, a bill (H. R. 7199) for the relief of Frank Martin; to the Committee on Claims.

Also, a bill (H. R. 7200) for the relief of William Chinsky; to the Committee on Claims.

By Mr. SMITH of Virginia: A bill (H. R. 7201) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SWICK: A bill (H. R. 7202) granting an increase of pension to Amanda Estep; to the Committee on Invalid Pensions.

By Mr. WEST: A bill (H. R. 7203) granting a pension to Julius W. Meade; to the Committee on Pensions.

By Mr. KNIFFIN: A bill (H. R. 7204) granting an increase of pension to Catherine Brown; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 7205) for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley; to the Committee on Claims.

By Mr. HOOPER: A bill (H. R. 7206) granting an increase of pension to Lydia Woodey; to the Committee on Invalid Pensions.

By Mr. HERR: A bill (H. R. 7207) for the relief of William Smith; to the Committee on Claims.

Also, a bill (H. R. 7208) for the relief of Christian F. M. Nelson, D. S. C.; to the Committee on Claims.

By Mr. GAMBRILL: A bill (H. R. 7209) for the relief of John W. Disney and Bertha A. B. Disney; to the Committee on Claims.

Also, a bill (H. R. 7210) for the relief of John G. Schulz; to the Committee on the District of Columbia.

By Mr. GILCHRIST: A bill (H. R. 7211) for the relief of John C. Harker; to the Committee on Military Affairs.

By Mr. FISH: A bill (H. R. 7212) for the relief of Charles Wellesley Berrington; to the Committee on Naval Affairs.

By Mr. FOSS: A bill (H. R. 7213) granting an increase of pension to Lillian R. Hills; to the Committee on Invalid Pensions.

By Mr. EVANS of California: A bill (H. R. 7214) granting an increase of pension to Armenia Magann; to the Committee on Invalid Pensions.

By Mr. COYLE: A bill (H. R. 7215) for the relief of May Weaver; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 7216) for the relief of Elijah C. LeCount; to the Committee on Military Affairs.

Also, a bill (H. R. 7217) granting a pension to Adelaide E. Frieseke; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7218) for the relief of Herman W. Bensel; to the Committee on Military Affairs.

By Mr. JOHNSON of Washington: A bill (H. R. 7219) for the relief of Kate R. Nelson; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

293. By Mr. AMLE: Memorial of State Legislature of Wisconsin, urging enactment of legislation to prohibit the manufacture and sale of oleomargarine; to the Committee on Agriculture.

294. Also, memorial of Kenosha Trades and Labor Council, urging emergency tax on high incomes and inheritances for relief purposes; to the Committee on Ways and Means.

295. By Mr. BARBOUR: Resolution adopted by the Fresno County Farm Bureau, Fresno, Calif., indorsing the provisions of the Federal marketing act and the activities of the Federal Farm Board; to the Committee on Agriculture.

296. Also, telegram containing resolution by board of directors of the Kern County Chamber of Commerce, of Bakersfield, Calif., urging immediate action on legislation providing a tariff on oil; to the Committee on Ways and Means.

297. By Mr. BOHN: Petition of the board of directors of the Detroit Engineering Society, in favor of Dr. Henry W. Temple's proposal to revise the wording of the item for topographic surveys in the Interior Department appropriation bill to make the Temple Act more effective, to permit a more equitable distribution of public funds appropriated for topographic surveys, and to utilize effectively all the funds made available by Congress for that purpose; to the Committee on Appropriations.

298. Also, petition of Licensed Tugmen's Protective Association of America, urging that all licensed officers of all documented vessels of the United States holding a license issued by the United States steamboat inspectors be entitled to all benefits of the United States Public Health Service and Marine Hospital Division, and that presentation of such license by the person to whom issued, and being affirmed by oath, shall be good and sufficient evidence that the holder of such license is entitled to all benefits of the United States Public Health Service and Marine Hospital Division; to the Committee on Interstate and Foreign Commerce.

299. Also, petition of Calumet Woman's Club, Calumet, Mich., petitioning the President of the United States of America, the United States Senators and Representatives in Congress, to do their utmost in establishing a protective tariff sufficiently high to enable the domestic copper producers to equitably compete with foreign copper producers; to the Committee on Ways and Means.

300. Also, petition of members of Morley S. Oates Post, No. 701, Veterans of Foreign Wars of the United States, in favor of the national-defense program as sponsored by their national organization in convention assembled at Kansas City, Mo., on August 31 to September 5, 1931; to the Committee on Military Affairs.

301. By Mr. SHOTT: Memorial of Smokeless Coal Operators Association, of West Virginia, urging a tariff or embargo on foreign oils; to the Committee on Ways and Means.

302. By the SPEAKER: Petition of the army of the jobless, under the leadership of the Rev. Father James R. Cox, asking for legislation for the relief of the unemployed; to the Committee on Ways and Means.

303. By Mr. SWEENEY: Petition of Cleveland Motion Picture Exhibitors Association; to the Committee on Ways and Means.

304. By the SPEAKER: Petition of P. M. Cushing, asking enactment of nonpartisan relief legislation; to the Committee on Ways and Means.

## SENATE

FRIDAY, JANUARY 8, 1932

(Legislative day of Thursday, January 7, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 46)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting estimates of appropriations submitted by the several executive departments to pay claims for damages to privately owned property in the sum of \$9,690.90, that have been considered and adjusted under the provisions of law



and requiring appropriations for their payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

DRAFT OF PROVISION PERTAINING TO THE APPROPRIATION "GENERAL AND SPECIAL CLAIMS COMMISSIONS, UNITED STATES AND MEXICO, 1932" (S. DOC. NO. 45)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Department of State for the General and Special Claims Commissions, United States and Mexico, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

#### LAWLESSNESS IN LAW ENFORCEMENT

The VICE PRESIDENT laid before the Senate a communication from the Attorney General, transmitting, in further compliance with Senate Resolution 116 (agreed to December 21, 1931), two printed pamphlets, one entitled "Draft of Mooney-Billings Report," and the other entitled "Appendix Containing Official Documents," and stating "These have just been received from the Hon. George W. Wickersham," which, with the accompanying pamphlets, was referred to the Committee on the Judiciary.

#### CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Jones	Sheppard
Austin	Davis	Kean	Shipstead
Bailey	Dickinson	Kendrick	Shortridge
Barbour	Dill	Keyes	Smith
Barkley	Fess	King	Smoot
Bingham	Fletcher	La Follette	Stelwer
Black	Frazier	Lewis	Thomas, Idaho
Blaine	George	Logan	Thomas, Okla.
Borah	Glass	McGill	Townsend
Bratton	Glenn	McKellar	Trammell
Brookhart	Goldsborough	McNary	Tydings
Bulkley	Gore	Metcalf	Vandenberg
Bulow	Hale	Morrison	Wagner
Byrnes	Harris	Moses	Walcott
Capper	Harrison	Neely	Walsh, Mass.
Caraway	Hastings	Norbeck	Walsh, Mont.
Carey	Hatfield	Norris	Waterman
Connally	Hawes	Nye	Watson
Coolidge	Hayden	Patterson	Wheeler
Copeland	Hebert	Pittman	White
Costigan	Howell	Reed	
Couzens	Hull	Robinson, Ark.	
Cutting	Johnson	Robinson, Ind.	

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

Mr. BLACK. I desire to announce that my colleague the junior Senator from Alabama [Mr. BANKHEAD] is necessarily detained from the Senate on official business. I ask that this announcement may stand as to all roll calls during the day.

#### PETITIONS AND MEMORIALS

Mr. BLAINE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

##### STATE OF WISCONSIN.

Joint resolution memorializing the Congress of the United States to enact legislation to credit income-tax payments made to the several States in payment of Federal income taxes

Whereas under the Federal inheritance tax law payments of inheritance taxes to the several States are credited in payment of the Federal inheritance tax up to 80 per cent of its amount; and

Whereas this provision of the Federal inheritance tax law has operated to prevent the dodging of State inheritance taxes by removal to other States; and

Whereas a similar situation exists with reference to State income taxes, these taxes being rendered very difficult of administration through the fact that some States do not have such taxes; and

Whereas these difficulties could easily be relieved through a provision in the Federal income tax law similar to the provision in the Federal inheritance tax law; and

Whereas this is a matter of great urgency, affecting all States having a State income tax: Therefore be it

*Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin hereby again respectfully memorializes the Congress of the United States to amend the Federal income tax law so as to provide that payments of income taxes made to any State shall be credited as an offset against the Federal income taxes due up to 80 per cent of the Federal income taxes assessed; be it further*

*Resolved, That properly attested copies of this resolution be transmitted upon adoption to both Houses of the Congress of the United States and to each Wisconsin Member thereof.*

HENRY A. HUBER,  
President of the Senate.  
R. A. COBBAN,  
Chief Clerk of the Senate.  
CHAS. B. PERRY,  
Speaker of the Assembly.  
C. E. SHAFFER,  
Chief Clerk of the Assembly.

Mr. BARBOUR presented resolutions of Alpha Chapter of the Phalanx Fraternity of the Madison (N. J.) Y. M. C. A. and the New Jersey Association of Congregational Christian Churches favoring the ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

#### DEMOCRATIC PARTY EMBLEM

Mr. NORRIS. Mr. President, I understand that this evening the National Democratic Committee is to meet, and I have been told that one of the things that will be brought before the committee will be the selection of a slogan or a change of emblem for the next presidential campaign. I want to submit to them a suggestion made by one of the great Democrats of the United States, one of our colleagues here, the senior Senator from Arizona [Mr. ASHURST]. I send to the Clerk's desk and ask that the Clerk may read an extract from a speech delivered by the senior Senator from Arizona before the Women's National Democratic Club on October 12, 1931.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

I have recently received letters, some of them evidently written in a serious vein and some of them obviously written in bitter irony, urging that the Democratic Party abandon the donkey as its emblem, as such emblem and symbol, so say some of the writers, would appear more appropriately to belong to another political party; but I have replied to the letters that I hoped the Democratic Party would never abandon the donkey as its emblem and symbol, for the donkey is a braying compendium of stately dignity, staunch endurance, fortitude, and patience. In our quadrennial presidential campaign there is more music in his raucous heehaw than in the midnight minstrel of a nightingale. The donkey is a serio-comic philosopher whose stamina and stoicism conquered the wilderness and cheered the lonely pioneer; the donkey is a sure-footed creature of epicurean taste and gargantuan appetite, but whose appetite and taste, happily enough, may be assuaged and satisfied by a nibble at a desert cactus and he is then ready for another long and arid journey.

#### REPORTS OF COMMITTEES

Mr. HARRIS, from the Committee on Military Affairs, to which was referred the bill (S. 2684) for the relief of F. P. Case, reported it without amendment and submitted a report (No. 40) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 476) for the relief of certain purchasers of lots in Harding Townsite, Fla., reported it without amendment and submitted a report (No. 41) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 187) to authorize the Secretary of War to grant a right of way for street purposes upon and across the San Antonio Arsenal, in the State of Texas, reported it without amendment and submitted a report (No. 42) thereon.

Mr. REED, from the Committee on Military Affairs, to which was referred the bill (S. 428) to provide for the payment of awards by the Patents and Design Board, reported it with amendments and submitted a report (No. 43) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:



S. 315. An act for the relief of Lemuel Simpson (Rept. No. 48);

S. 542. An act for the relief of Denton L. Sims (Rept. No. 49);

S. 1440. An act for the relief of August R. Lundstrom (Rept. No. 44); and

S. 1891. An act to amend the military record of John F. Walker (Rept. No. 45).

Mr. REED, also from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 461. An act to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States," approved June 21, 1930, so as to give class B officers of the Army the benefits of such act (Rept. No. 46); and

S. 2179. An act for the relief of Alexander M. Proctor (Rept. No. 47).

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KENDRICK:

A bill (S. 2754) to authorize the issuance of an unrestricted patent to Joseph F. Sheaman; to the Committee on Public Lands and Surveys.

A bill (S. 2755) granting a pension to Nancy C. Knapp; and

A bill (S. 2756) granting a pension to Mearon W. Thomas; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 2757) to amend the Code of Laws for the District of Columbia, in relation to providing security against old-age want; to the Committee on the District of Columbia.

By Mr. BRATTON:

A bill (S. 2758) granting a pension to Frank Hartman; to the Committee on Pensions.

By Mr. BLAINE:

A bill (S. 2759) for the relief of Edward J. Ostrander; to the Committee on Claims.

By Mr. BINGHAM:

A bill (S. 2760) relative to the admission under the immigration laws of wives of American citizens; to the Committee on Immigration.

By Mr. SMOOT:

A bill (S. 2761) for the relief of the Zion's Savings Bank & Trust Co., of Salt Lake City, Utah; to the Committee on Claims.

A bill (S. 2762) to prohibit any charge for admission to national parks and national monuments; to the Committee on Public Lands and Surveys.

By Mr. WALSH of Massachusetts:

A bill (S. 2763) to provide for adjustment of rank and grade of warrant and commissioned warrant officers of the United States Navy; to the Committee on Naval Affairs.

By Mr. KING:

A bill (S. 2764) to provide for the protection of watersheds in and adjacent to national forests; to the Committee on Agriculture and Forestry.

By Mr. WAGNER:

A bill (S. 2765) for the relief of Clara E. Wight; to the Committee on Claims.

By Mr. DILL:

A bill (S. 2766) for the relief of Wm. K. Beldin; and

A bill (S. 2767) for the relief of William F. White; to the Committee on Military Affairs.

A bill (S. 2768) granting a pension to Luna Packwood;

A bill (S. 2769) granting a pension to Emma F. Branagan;

A bill (S. 2770) granting a pension to Margaret E. Brown (with accompanying papers);

A bill (S. 2771) granting a pension to Minnie H. Goddard (with accompanying papers); and

A bill (S. 2772) granting a pension to Stephen S. Floe (with accompanying papers); to the Committee on Pensions.

By Mr. SWANSON:

A bill (S. 2773) for the relief of the Virginia Engineering Co. (Inc.), a Virginia corporation; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 2774) to amend an act to increase the efficiency of the Veterinary Corps of the Regular Army, approved June 28, 1930; to the Committee on Military Affairs.

A bill (S. 2775) to amend an act entitled "An act to incorporate the Masonic Mutual Relief Association of the District of Columbia," approved March 3, 1869, as amended; to the Committee on the District of Columbia.

By Mr. ROBINSON of Indiana:

A bill (S. 2776) to amend section 4 of the Legislative Pay Act of 1929; to the Committee on Appropriations.

By Mr. WALSH of Montana:

A bill (S. 2777) for the relief of certain entrymen on lands within the Flathead Indian Reservation, State of Montana; to the Committee on Indian Affairs.

A bill (S. 2778) to extend term of patents numbered 980356, 980357, 980358, and 980359; to the Committee on Patents.

By Mr. KEAN:

A bill (S. 2779) for the relief of Woodhouse Chain Works;

A bill (S. 2780) for the relief of the Paterson Savings Institution, of Paterson, N. J.; and

A bill (S. 2781) for the relief of the Morristown Trust Co., of Morristown, N. J.; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 2782) granting a pension to Henry P. Haynie; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 2783) for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley; to the Committee on Claims.

By Mr. FESS:

A bill (S. 2784) granting an increase of pension to Amanda Marsh (with accompanying papers); to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 2785) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission of Maryland for park purposes; to the Committee on Agriculture and Forestry.

A bill (S. 2786) granting Clarence M. Dow the privilege of filing application for benefits under the emergency officers' retirement act; to the Committee on Military Affairs.

A bill (S. 2787) granting a pension to Howard E. Tolson;

A bill (S. 2788) granting a pension to Mary Amanda Jones; and

A bill (S. 2789) granting a pension to Minnie Eaton; to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 2790) for the relief of Albert G. Dawson; and

A bill (S. 2791) for the relief of Garrett M. Martin; to the Committee on Military Affairs.

A bill (S. 2792) granting a pension to Mary Ida Cox (with accompanying papers); to the Committee on Pensions.

By Mr. COUZENS:

A bill (S. 2793) to regulate the transportation of persons and property in interstate and foreign commerce by motor carriers operating on the public highways, and for other purposes; to the Committee on Interstate Commerce.

By Mr. MCKELLAR:

A bill (S. 2794) for the relief of John W. Hollifield; to the Committee on Military Affairs.

A bill (S. 2795) granting an increase of pension to Martha Odell (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 2796) for the relief of S. H. Fortner (with accompanying papers); to the Committee on Claims.

A bill (S. 2797) to provide for the restoration of forfeited rights under the World War veterans' act, 1924, and for other purposes; to the Committee on Finance.

A bill (S. 2798) granting a pension to Joe W. George (with accompanying papers); to the Committee on Pensions.



By Mr. BROOKHART:

A bill (S. 2799) increasing the number of copies of the CONGRESSIONAL RECORD furnished gratuitously to the Vice President, Senators, and Representatives; to the Committee on Printing.

A bill (S. 2800) to establish a Board of Civil Service Appeals and to amend an act entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field service," approved March 4, 1923 (42 Stat., ch. 265, p. 1483), and for other purposes; to the Committee on Civil Service.

A bill (S. 2801) to incorporate the Army and Navy Union of the United States of America; to the Committee on the Judiciary.

By Mr. KING:

A joint resolution (S. J. Res. 78) to provide that the present period of two years, during which owners of real property sold for taxes in the District of Columbia may redeem same, shall be extended to three years; to the Committee on the District of Columbia.

#### AMENDMENTS TO RECONSTRUCTION FINANCE CORPORATION BILL

Mr. BLAINE and Mr. COSTIGAN each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 1) to provide emergency financing facilities for banks and other financial institutions, and for other purposes, which were ordered to lie on the table and to be printed.

#### AMERICAN CONSERVATION WEEK

Mr. WAGNER submitted the following concurrent resolution (S. Con. Res. 6), which was referred to the Committee on Public Lands and Surveys:

Whereas under the inspiring leadership of President Cleveland it became the settled policy of this Nation to conserve its natural resources; and

Whereas the establishment of an American conservation week will have the desired effect of bringing the American people to realize in the words of that great conservationist, President Roosevelt, that "the conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life": Therefore be it

*Resolved by the Senate (the House of Representatives concurring),* That the President of the United States is requested to issue each year a proclamation designating the first week in April as American conservation week and inviting the people of the United States to observe that week in schools, churches, museums, parks, and other suitable places, with ceremonies appropriate to the occasion.

#### HEARINGS BEFORE THE COMMITTEE ON PATENTS

Mr. HEBERT submitted a resolution (S. Res. 130), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved,* That the Committee on Patents or any subcommittee thereof be, and hereby is, authorized, during the Seventy-second Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee or any subcommittee thereof may sit during the sessions or recesses of the Senate.

#### LEGISLATIVE INFORMATION CLERK

Mr. McNARY submitted the following resolution (S. Res. 131), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved,* That the Secretary of the Senate is authorized and directed to employ permanently an additional assistant in the office of the Secretary of the Senate, to be paid at the rate of \$2,400 per annum out of the contingent fund of the Senate until otherwise provided by law. It shall be the duty of such clerk to inform by written notice the author of every Senate bill or resolution and, upon request, any other Senator or Representative, as to the progress of such bill or resolution, or any other bill or resolution that may come before the Senate, through its various legislative stages to final passage, including all actions thereon by any Senate committee. The clerks of Senate committees shall promptly notify such clerk of any action taken by their respective committees on any bill or resolution. The assistant herein provided for shall be known as the legislative information clerk and may be assigned to other duties in the office of the Secretary of the Senate.

#### PUBLICITY AGENTS AND INFORMATION BUREAUS

Mr. KING submitted a resolution (S. Res. 132), which was ordered to lie on the table, as follows:

*Resolved,* That the heads of the several executive departments, independent establishments, and other executive agencies of the Government are requested to furnish to the Senate as soon as practicable full and complete information with respect to (1) the employment by them of publicity agents, the duties of such agents, the salaries paid them, and the amount of any incidental expenditures made in connection with their work; (2) the maintenance by them of bureaus of information and the total cost thereof, the number and kinds of publications emanating from such bureaus, and the annual cost of such publications; and (3) the annual cost to them of sending representatives of such publicity agencies or bureaus of information to conferences and meetings throughout the United States and foreign countries.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting several nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

#### RECOMMITTAL OF SENATE CONCURRENT RESOLUTION 3

Mr. COUZENS. Mr. President, I ask unanimous consent to have recommitted to the Interstate Commerce Committee Senate Resolution No. 3.

The VICE PRESIDENT. The concurrent resolution will be stated for the information of the Senate.

The CHIEF CLERK. Senate Concurrent Resolution 3, by Mr. COUZENS, establishing a joint congressional committee to make a general investigation and study of railroad problems.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan?

Mr. COUZENS. Mr. President, prior to the request being put I desire to make a brief statement.

The VICE PRESIDENT. The Senator is recognized.

Mr. COUZENS. At the time the resolution was submitted and referred to the Committee on Interstate Commerce no plan had been formulated for looking after the financing of the railroads. Since the introduction of the resolution, and its consideration by the Interstate Commerce Committee, however, there has been formed what is known as the railroad pool, which will contain something over a hundred million dollars. Since that time, also, the Committee on Banking and Currency has reported the so-called Reconstruction Finance Corporation bill, which is the unfinished business of the Senate. Both those actions seem to preclude any immediate necessity for further consideration of the financing of the railroads as the result of any investigation which may be had. Therefore the Committee on Interstate Commerce, at its meeting this morning, decided it would be better to have the resolution recommitted to the committee for consideration. I therefore make that request.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolution is recommitted to the Committee on Interstate Commerce.

#### HEARINGS BEFORE THE INTERSTATE COMMERCE COMMITTEE

Mr. FESS. On behalf of the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, I report from that committee Senate Resolution 105, to which I call the attention of the Senator from Michigan [Mr. COUZENS], who is the author of the resolution.

The VICE PRESIDENT. Let the resolution be read for the information of the Senate.

The resolution (S. Res. 105) submitted by Mr. COUZENS on December 17, 1931, was read, as follows:

*Resolved,* That the Committee on Interstate Commerce, or any subcommittee thereof, is authorized, during the Seventy-second Congress, to send for persons, books and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

Mr. COUZENS. I ask unanimous consent for the present consideration of the resolution.

There being no objection, the resolution was considered and agreed to.



## THE SILVER STANDARD

Mr. WHEELER. Mr. President, I ask leave to have printed in the RECORD a poem published in the Federation News, written by Eva M. Stewart, entitled "A Blunder Far Worse Than Deliberate Crime."

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

[From the Federation News]

## A BLUNDER FAR WORSE THAN DELIBERATE CRIME

By Eva M. Stewart

It was in eighteen ninety-eight  
That silver's cause was laid away,  
And farmers saw the hand of fate  
And felt the dread of judgment day.  
But who should heed a country skate  
With flowing whiskers full of hay?  
Wise men in Wall Street laughed him down,  
From millionaire to junior clerk,  
The haughty, brainy men of town  
Who view the farmer with a smirk,  
Though sorry for the country clown,  
The poor old sap who does the work.  
What should he know of high finance,  
Who ne'er was in the banking biz?  
There were no creases in his pants,  
No silken socks were ever his;  
And brokers well might look askance  
At horny hand and sunburned phiz.  
Good people everywhere might doubt  
If hicks should more than bankers know,  
Why gold was sound beyond a doubt—  
The bankers always told us so—  
They took it in and let it out  
And made the wheels of commerce go.  
And so the money power held sway  
And all the world adopted gold,  
And things were booming anyway,  
And banks were full as they could hold;  
Until there came the reckoning day  
With all the woes the hicks foretold.  
Now as we view the broken banks,  
And all the wrecks along the street,  
We ought to seek a new finance  
Based on the phrase, "as good as wheat,"  
And try to give the hicks a chance  
Who give us all a chance to eat.  
Perhaps the farmer knew his stuff,  
Who cried for silver long ago;  
He was a diamond in the rough,  
His thinking tank was not so slow,  
For fate has called the banker's bluff  
And hicks may cry, "I told you so."  
Where all things grow is wisdom grown,  
The things that cities rot and spoil;  
George Washington did acres own  
And Lincoln was a son of toil.  
The wisest statesmen we have known  
Have been a product of the soil.  
Long whiskered pops again arise,  
And from your banners shake the dust!  
The scales have fallen from our eyes,  
In silver as "in God we trust,"  
Until a standard men devise  
That's scientific, wise, and just.

## RECONSTRUCTION FINANCE CORPORATION

The Senate resumed the consideration of the bill (S. 1) to provide emergency financing facilities for banks and other financial institutions, and for other purposes.

The VICE PRESIDENT. The amendment of the Committee on Banking and Currency to the pending bill is before the Senate and is open to amendment.

Mr. BLAINE. Mr. President, I have been receiving a number of telegrams and letters from various parts of the United States with respect to the bill now before the Senate. I take the liberty of reading from some of those telegrams and letters. I find one from a gentleman in Indiana, who, I am informed, is a man of substantial wealth, a manufacturer, and very vitally interested in proper legislation. At the risk of sacrificing modesty, I will read all the telegram. The sender of the telegram states:

JANUARY 7, 1932.

My father always said, "Anyone can follow the crowd; it takes courage to stand alone." You had that courage yesterday, not-

withstanding the pressure from even those Senators who should have stood by your side because of their knowledge of what is being attempted through the enactment of this so-called reconstruction corporation. It is in reality legislation sponsored by those international bankers whose sales of billions of foreign bonds at large profits to themselves is responsible for the necessity to pass such a bill now when the condition of the banks everywhere that these bonds were unloaded on has become critical. By refusing to call Congress in special session and deliberately waiting until our financial house is on fire you are placed in the position of being compelled to vote to save those who have reaped the benefits and suffered no loss through the enactment of this bill, which will require raising vast sums from the Federal Treasury or appear unpatriotic. This corporation unfortunately will not do what its sponsors claim any more than the National Credit Corporation did, but it will enable those gentlemen who should be called to account to pass the buck to Congress and the American people, whose business is being bankrupt daily because of their greed for profits in the sale of these foreign securities. Failure to pass this bill will not have the consequences ascribed to it, as the damage is here already, but it will have another effect, and that is to place the responsibility where it belongs. Most people have been and are continuing to suffer. Are you going to pass legislation that will enable those who are in large measure responsible for this condition to go on making more money through the aid of this proposed corporation and make no sacrifice whatever? I am sure you will not.

Another telegram from Maryland, sent to me by a very responsible person, reads:

JANUARY 8, 1932.

Substitute jobless plea of Rev. James R. Cox, of Pittsburgh, for President's \$2,000,000,000 corporation release bill. Your action on latter bill is courageous and commendable.

Another telegram from New York, sent by a gentleman who, I understand, is a very substantial citizen of the great Empire State, reads:

This depression has affected the value of all assets in this country. Why should not the present possessors, regardless of the kind of wealth they hold, be made to stand their share of the loss? I congratulate you in your stand. This reconstruction bill should not pass.

Turning to the agricultural area of the West, I have a letter from a banker in South Dakota. I understand from inquiry that he is a very excellent banker, that he understands the bankers' problems and the farmers' problems in South Dakota. I wish to call attention to the fact that not a single man, not a single witness, was called who was directly or indirectly interested in agriculture and agricultural finance in the West; not a single small banker, not a single banker who has provided credit for the farmers, was called before the Committee on Banking and Currency. The testimony before that committee is the testimony of persons interested financially in their own welfare and the welfare of the large institutions which they represent.

Now, let us see what this South Dakota banker says. This letter probably has been sent to every Senator—I do not know as to that—but the writer has gone to the trouble and expense of having printed an analysis of the situation, and I wish to read a few paragraphs from his analysis. He says:

On the other hand, if the Reconstruction Credit Corporation is used to bolster up commercial and industrial credits, it may do more harm than good. It may simply postpone the time of ultimate adjustment.

And note this statement—

The Government can not peg the price of bonds any more than it could the price of wheat.

This gentleman understands exactly the purpose of this so-called reconstruction bill and he appreciates that the Government can not now peg the price of bonds any more than the Farm Board could peg the price of wheat.

Frozen assets can not be thawed out simply by being taken over by the Government.

That is an obvious fact. These frozen assets, as this banker states, are not thawed out when the Government puts those assets into its portfolio.

Further quoting:

It will take a revival of business to do this. Suppose this Government corporation takes over railroad bonds. What good will it do? What the railroads need is more freight to haul. They need to have the interchange of products between agriculture and industry resumed.



Further quoting:

The trouble with industrial bonds is that the industries are locked up. The trouble with city mortgages is that the mortgagor is out of a job. The trouble with farm mortgages is that the farmer is selling his products at a loss. Bolstering up bonds and mortgages will do no good. It will simply prolong the agony.

To produce results with this new financing project one thought should be uppermost: All new financing at this time should be directed toward increasing consumption. It must help to restore buying power or it will be of no avail. The products of farm and factory must be used that both may prosper. Consumption can be started by relieving the rural credit stringency. It must be started somewhere. The vicious circle must be broken.

To be effective the Reconstruction Finance Corporation must not be fashioned after the old War Finance Corporation.

And yet it is fashioned almost to the design made for the War Finance Corporation; it is substantially the same type of organization. Further quoting—

That corporation relieved the larger banks of heavy lines, but it was so "hard-boiled" with farm credits that it was of little value to the country banks.

Mr. President, in the course of my remarks later on I expect to discuss in detail exactly what this gentleman reports and to speak in confirmation of what he says.

Even the Federal reserve banks were more liberal. If this new corporation will take only such paper as the Federal reserve banks and the intermediate credit banks accept, it will be simply another useless Government appendage.

Mr. President, this is a most thoughtful article, intelligently written, with an understanding on the part of the writer of the exact condition of agriculture. The country banker has as keen an insight into economic movements as has the keenest doctor of economics in any of our universities. He is in close touch with the situation; he knows the banking problem; he knows the credit problem. This article is so valuable from the standpoint of information that I ask unanimous consent that it may be printed in full in the RECORD following my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The article referred to is as follows:

#### A SHORT-SIGHTED POLICY

For 10 years agriculture and country banks have suffered deflation and bankruptcy. They were told, however, that they had mismanaged their business and that deflation was wholesome.

Now that deflation has attacked commerce and industry and their banking institutions they are not so highly impressed with its wholesomeness and are appealing to the Government for help.

They might be told that they have mismanaged their business. They loaned billions to Europe which they are virtually asking the American taxpayer to pay. They have overcapitalized and overbonded their industries. Their railroads, while pleading for help, are paying their engineers and conductors three and four hundred dollars per month.

To relieve the situation a Government finance corporation is asked for. With it, it is proposed to assist banks, building-and-loan associations, trust companies, savings banks, insurance companies, and railroads.

If this proposed Reconstruction Finance Corporation, however, is used principally to sustain commerce and industry it will be a short-sighted policy.

Forty-eight per cent of the Nation's population depends directly upon agriculture. In the agricultural areas hundreds of banks have closed. Confidence has been shaken. Millions of dollars have gone into postal-savings banks or have been withdrawn from circulation. This, with the unprecedented drop in farm-product prices, has produced a most acute credit stringency.

Country banks faced with a shrinkage of deposits have been forced to reduce their loans. While this reduction came from all debtors, it came principally from those best able to pay—men whom the banks ordinarily would have been glad to carry.

The result has been that the proceeds from the sale of farm products have gone to pay debts rather than to buy things people ordinarily use. The rural population has been forced to go without things its people need or would buy. Sixty million people, therefore, are buying only the bare necessities of life. When 60,000,000 people stop buying the factories close. When factories close farm-product prices decline. Deflation moves in a vicious circle.

If credit relief is to be given it should be to country banks. If this were done the pressure for payment would be removed and the rural population would buy things they need. When so large a portion of the Nation's population starts buying, the factories will open and farm-product prices in turn will rise again. Business recuperation will be set in motion.

On the other hand, if the Reconstruction Credit Corporation is used to bolster up commercial and industrial credits, it may do

more harm than good. It may simply postpone the time of ultimate adjustment. The Government can not peg the price of bonds any more than it could the price of wheat. Frozen assets can not be thawed out simply by being taken over by the Government. It will take a revival of business to do this.

Suppose this Government corporation takes over railroad bonds. What good will it do? What the railroads need is more freight to haul. They need to have the interchange of products between agriculture and industry resumed.

The trouble with industrial bonds is that the industries are locked up. The trouble with city mortgages is that the mortgagor is out of a job. The trouble with farm mortgages is that the farmer is selling his products at a loss. Bolstering up bonds and mortgages will do no good. It will simply prolong the agony.

To produce results with this new financing project one thought should be uppermost. All new financing at this time should be directed toward increasing consumption. It must help to restore buying power or it will be of no avail. The products of farm and factory must be used that both may prosper. Consumption can be started by relieving the rural credit stringency. It must be started somewhere. The vicious circle must be broken.

To be effective the Reconstruction Finance Corporation must not be fashioned after the old War Finance Corporation. That corporation relieved the larger banks of heavy lines, but it was so "hard-boiled" with farm credits that it was of little value to country banks. Even the Federal reserve banks were more liberal. If this new corporation will take only such paper as the Federal reserve banks and the intermediate credit banks accept, it will be simply another useless Government appendage.

If the commercial and industrial interests selfishly and short-sightedly appropriate this new credit corporation to their own use, they can remember this—they will sit with their declining bonds, their closed factories, and their bread lines. Business is largely the interchange of products between agriculture and industry through the medium of commerce. Industry and commerce are not self-sufficient. They need agriculture to complete the circle.

When this Reconstruction Finance Corporation act is passed the needs of the country population must be included. Here are some things that should be insisted on:

A board of directors without Wall Street affiliations who are not chiefly concerned in pulling their own chestnuts out of the fire. The agricultural States and country banks should be adequately represented.

That the larger part of the fund be used to relieve the agricultural stringency. Agriculture represents the largest investment in the Nation, it directly supports nearly half the Nation's population, and it has suffered 10 years of deflation.

That, in view of present prices, its loan policy be liberal and broad enough to cover the class of loans the country bank usually carries. The Government sunk a few billions trying to save Europe. Let it risk a few dollars trying to save the United States.

Mr. LEWIS. Mr. President, if I am not interrupting any Senator who desires to present amendments, I beg the indulgence of the Senate to express some views in support of the amendment I tendered last night. The amendment is as follows:

SEC. 18. It is hereby authorized to any court of equity jurisdiction of the United States or of any State of the United States to order continuance or suspend any action seeking judgment and levy and execution; or to restrain, enjoin, or forbid any judgment and execution or foreclosure or sale or dispossession or ejectment from premises, as to all or any person or company, corporation, or association that could by this act be within its benefits, its provisions, or by construction, directly or indirectly, could be the beneficiary of any provisions or privileges granted by this measure. That such court acting may grant relief as herein provided for such time as the circumstances and conditions shown before the court warrant for the exercise of equity.

I do not know exactly how my amendment reads on the record by number, but by myself it is characterized as section 18. I should like the Senators who can find it convenient to do so to read the amendment, that they may be acquainted with its content and import.

Mr. President, at the outset, as this is the first expression in the form of an address to the Senate that I have assumed to impose upon them since my reentry into this body, I beg to express my appreciation of the many courtesies which have been extended me through my service in this body in the past by the Members. Many of those associates are still remaining here. As to all, I would have them know that I am conscious of my indebtedness.

The amendment that I have proposed is an amendment in which I set forth that pending the creation of the machinery necessary to execute this bill, and while it is being administered, those who are subject to its provisions, those who may be the beneficiaries of its policy, those who are assumed



to be they whose protection is being guaranteed by its provisions, shall be protected while the process is being developed.

In simple phrase I propose that the courts of equity, both Federal and State, shall by section 13 be granted the jurisdiction to enjoin and restrain any proceeding now existing in the courts or later tendered to the courts that in the meantime could ripen into judgment against any person, corporation, or individual engaged in business. I would have enjoined and stayed the judgment from being issued and entered pending the administration of this measure. I would have the courts, on proper grounds, forbid the ejection of a farmer from his farm, the business man from his business house or being foreclosed out of his business. I would have the court restrain the corporation from being passed into the hands of a receiver and enjoin receivers of now existing institutions from closing up upon the mortgage and liquidating the particular institution or undertaking involved. In the meantime it is the purpose of the amendment to rescue, if possible, those—many as they are—who are upon the eve of being ejected from their homes and farms and sent to the chill winter with no shelter above them other than the weeping wintry skies. I would have the courts prevent that army of human beings in any walk of life who are within the purpose of this bill's favors from being squeezed at this time by those who are to be the beneficiaries of this measure. I refer to the powerful or favored of the situation, who, being entitled to foreclose by strict law, would seize the properties by purchase or otherwise and then claim, under this measure, the benefits to themselves by pointing to these instrumentalities or interests which they have appropriated as being those calling for the aid provided in the measure.

I invite you to the fact that the eminent Senator from Virginia [Mr. GLASS], in response to the query of the Senator from Wisconsin [Mr. BLAINE], replied that the measure would have for its purpose the granting of such relief as would pass on to the lesser individuals, and, in the words of the Senator from Wisconsin, feed the hungry and shelter the homeless. If this be the object of the measure in terms and in spirit, it would be of little value to us if, while this machinery is being set in operation and the measure is being administered, those who have the favor of the courts or the power to invoke them could foreclose upon the large institutions that are helpless, could put their grip and vise upon those who are powerless, and, seizing their property under the apparent forms of the law, leave thousands upon thousands hopeless to obtain relief under the bill, as they would stand helpless before the law.

I have tendered this amendment giving jurisdiction to the courts. I ask you to pause and note that I do not tender a moratorium. Senators, I do not exactly know the meaning of the term "moratorium" as frequently used here. I saw something transpire but a short while ago that took the name of a moratorium, that had for its delusive promise aid to Germany, and, out of something of sympathy for her prostrate condition, received the votes of this honorable body. But as I watched it in its terms, and saw ultimately its effect in its final result, I could not help but conclude to myself the real meaning of "moratorium"; and, reverting to a bit of Latin of college days, I pause to analyze in that particular instance the definition of "moratorium"—"mori" meaning "death," "torium" from "taurus" or "taura," a bull, or "the dead bull"—such a development, alas and unhappily, to be all that is to be realized both for those who hoped much from it and for those who dared to promise much from it.

I do not tender my amendment as any moratorium. I wish now to confess to the Senators that this amendment that I am tendering I can not claim as original in thought. I would have you know that I have copied partly its form from the act of the English Parliament passed during the war, looking to the suspension by equity of all proceedings that would have foreclosed liens, destroyed business, ejected individuals, bankrupted the defenseless, left homeless countless thousands while the war was pending, and stop the

"carrying on" of proceedings in the courts. I invite your attention, when it suits your convenience, to the opinion of Lord Haldane, the lord high chancellor of the English equity tribunal, confirming this statute and giving its construction.

I have changed the verbiage of the provision to some extent by making it applicable to our own laws and to the procedure of our own country and our methods of procedure as distinguished from that which obtained under the English judicature. To the eminent gentlemen of this body who are lawyers, it is but permitted to add that as we have taken our whole system of equity judicature from the ancient English law and its system—particularly is this true in the Federal courts—most applicable, therefore, is any statute or ruling from the high court of equity of England touching a question as to which we have something of respected precedent.

I now bring to your attention the query, Of what avail would this law be to those who now most need it, who are in extremis in every possible conception, from the small tenant who is being ejected from his home, unable to pay his rent; from the farmer who is being taken from his farm, unable to restrain the foreclosure of his mortgage; from the business man who is being presented just now to assignment or bankruptcy; to the corporation that is being subjected to receivership or already in receivership and about to be liquidated; to the large railroad to which the distinguished Senator from Pennsylvania [Mr. REED] and the other Senators referred as being in extremis, in the possibility of a immediate receivership, its bonds to be sunken to a valueless condition and its stock to ashes, if all of these can be proceeded with in the manner in which I point out to the disaster which we all see can follow, and within the space of time that this bill is to be put into operation, or its board of managers can be named of the most eminent gentlemen, as the distinguished Senator from Connecticut [Mr. WALCOTT] said, to be found in America, needing much time in a long search? When these have been selected who completely fill the rôle of the desire, and they then organize themselves with their aides and set themselves into motion, and then receive the applications of those whose purpose it is to serve, and a long time expires before a final result shall follow, all of these of whom I spoke, Mr. President, those for whom we profess care and guardianship, will have passed from judgment, execution, and sale into nothingness. This measure will be of no avail to save and succor those. It is such we profess at this hour to be the object of our conserving and protecting consideration.

To accent and emphasize the detail of my fears, read, sir, the figures for the collection of which I can not take credit. Hear them as Government records speak—45,000 foreclosure proceedings pending at this hour in the larger cities, treating only of large enterprises; 200,000 liens and judgments on money claims; 700,000 evictions—speaking in round numbers—awaiting the execution of judgment; 1,435,000 proposals of bankruptcy and insolvency pending in the courts; 225,000 farmers about to lose their homes under mortgages, and many of them wandering the highways, their children lost in the purlieus of the great cities. These are those about us, supposed to be those whom we are now to consider, whose guardianship and protection is professed to be the object of this bill. In what manner can they enjoy its benefits if, in the meantime, while the measure is passing into operation there be no method devised and no system provided that shall guard and protect the announced beneficiaries from destruction?

Mr. President, I but speak to the memory of many Members of this body who with myself joined in relief to the farmers in what was known, as the Senator from Montana described the other day in reading some extracts to the Senator from Connecticut, as the farm loan bill. While that farm loan bill was being put into operation, in the long time that was necessary to arrange it, thousands of farmers were ejected from their homes, mortgages were foreclosed, the small financial institutions availed themselves of the privilege to foreclose the liens upon the small farmers and



transfer them to the larger financial interests, and thus thousands became homeless and hopeless. Are we to repeat this desolating tragedy?

Mr. President, you will notice that I do not ask that all proceedings be stayed in whatever form such is undertaken or pending—as to litigants generally existing. I am asking that the courts be open where the investigations may be had if application is being made under the law; and if the applicant is within its favor, and wherever it is righteous for injunction and remedial processes to be issued, that such shall follow and avoid those involved from being foreclosed out of property and emaciated from existence pending their efforts to secure relief under the measure.

Shall we overlook the procession which came before us but a day past and rested in tented form from their marches in the open spaces of the park plaza fronting this great and distinguished tribunal—the Halls of American Congress? Shall we now overlook the fact that the men in that gathering were but representatives of that number which equally represents countless millions of their kind throughout all this land?

At this moment I pause to pay tribute to the great toiling millions, whom we speak of as laborers. Behold how in hours like this, in days just past, they have had their backs bent in distress, seeing daily their beloved ones hungry, shelter being denied them. With every conceivable form of misery that could be visited upon these helpless, borne to the hearts of these afflicted, yet these toilers of farm and factory have remained loyal to their country. They have not protested against its laws. They have raised no voice against the officials of their Government, and against every cry to revolt and riot they have turned in resentment, echoing ever the sentiment, from their hearts and from their lips—

My Nation bowed under burdens, still you  
Are my country, and 'tis of thee—  
Sweet land of liberty,  
I sing.

To these we pay tribute, when in an hour like this we recognize the noble character possessed by them, the farmer from the furrow and the toiler in the city, who, as the evening comes on, finds no home in which to succor himself and his children, still remaining the example to patriots, to be honored ever in the history of our sublime hereafter. It is these we seek to find a way to protect by tendering each to the justice of the courts to give him his opportunity for salvage and rescue.

Mr. President, a final word. My purpose was not to speak on the amendment but only to explain its purport as I meant it.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. LEWIS. Surely.

Mr. KING. I am interested to know, and therefore rise for information, by what authority the Federal Government may grant to State courts the right to issue injunctions to restrain the enforcement of contracts.

Mr. LEWIS. The Senator from Utah, Mr. President, propounds one of the troubling questions which must be considered in matters of conflicting jurisdiction, and being himself but lately an eminent member of the Supreme Court of the State of Utah, and with distinction, it is a very natural thing that those doubtful distinctions of law would arise in his mind. I answer him. We provided an amendment to the Constitution, and the prohibition law, which authorized the States, with the concurrent jurisdiction in their courts, to enforce the law with the Federal Government in the State courts. The Supreme Court of the United States sustained the Federal Government authorizing the States in their courts to enforce the quarantine law and the immigration law whenever violated in any locality where the courts of the State prevail.

I answer my friend that it is the authority of which he has doubt that I am now vesting by law. Without the law there would have been none. It is because there was none for the protection of these that I tender one; that there shall be one.

LXXV—94

I stand in this matter rather in the position the Senator will recall in history, when the great Irish lawyer, Daniel O'Connell, stood before the equity courts and sought relief for ejected tenants. When the names of the eminent owners of great lands who were evicting the helpless were mentioned the lord justice said to him, "But his Lordship So-and-so and So-and-so is not before the court," when Mr. O'Connell said, "Your lordship, I bring him before the court." I answer there was no law; it may be said that was without doubt. I bring one before the Senate.

Mr. KING rose.

Mr. LEWIS. Does the Senator desire to interrupt further?

Mr. KING. I would be very glad to, with the permission of the Senator.

It is a pleasure to affirm my regard for the legal learning of my distinguished friend from Illinois. I remember also that he is a distinguished member of the Democratic Party. That party has professed for years—although it has been too much of a profession—that there were States in the Union, 48 in number, and that they were sovereign and had control over their domestic affairs.

My distinguished friend recalls that in the Constitutional Convention efforts were made to enlarge the jurisdiction and power of the Federal Government. That was the view of Hamilton. Wiser counsels prevailed, and it was determined, following Madison and other great men, that we should have a republic of republics, and that the States—13 then—should have exclusive jurisdiction of all matters except those which they committed by the Constitution to the Federal Government.

My friend knows that the control of property within the States and the right to enter into contracts are matters within the jurisdiction of the States. Much as I deplore the economic condition and the sorrow and poverty my friend has so eloquently depicted, I can not support a measure which impinges upon the rights of the States and strikes at the jurisdiction and power of the State courts to handle those matters which, under our form of government, belong exclusively to the States.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Arkansas?

Mr. LEWIS. Will the Senator from Arkansas tolerate me for a second to reply to our friend from Utah?

Mr. ROBINSON of Arkansas. Certainly.

Mr. LEWIS. Mr. President, in the long ago, when States were very far apart, and when they looked upon each other in some spirit of enmity, there was regarded that of which my learned friend speaks—the sovereignty of the States—and I would delight if that still continued. At that time so distant to each other were they regarded that when we lawyers sought the removal of a case from a State court into the Federal courts we used the striking expression now in the old law of one State being "foreign" to another. States were regarded as foreign by virtue of the removal clause by which a citizen of one State being sued by the citizen of another State could remove to the Federal courts upon the ground that his State was a foreign State to the other.

I answer my friend that here we have a Federal act which is supposed to exercise its jurisdiction within the States, and within the States upon the banks of the States, upon the financial institutions of the States, upon the individuals of the States, and there is no provision to operate upon the people of the States, those who are in need within the States. That can not be. It is a myth—being presented as a promise it is a delusion to the people.

Now, sir, as to the final question. We have passed the day, regrettable as it may be to scholars of fundamental and early distinctions, like my eminent friend from Utah, when there shall be drawn the line of demarcation and prohibition against the individual enforcing his rights as the rights of man—by a construction born of ancient theory—of the relative rights of a political locality compared with the relative rights of another political locality. We are not fighting for shadows of form but for bodies of



men. I remind my eminent friend that exercising eminent statesmanship in this body saw put into effect here the measure which authorized the State courts to seize a building in which it was alleged there was a violation of the Volstead Act.

Mr. KING. I want to assure the Senator that I did not aid in framing the Volstead Act. I opposed it and voted against it.

Mr. LEWIS. The Senator need not fear. I know he opposed that act. I trust he will continue to oppose the act. There never was an assault so great on individual human liberty as that law in its provisions struck against American citizenship. It is a blister upon the Republic that festers as a nauseous tumor sucking the body politic. The crime of this offense calls for a religious temperance to be trusted to the States and to the homes. But I revert to the parallel—I proffer.

Now, I say to my friend that he sat here and witnessed the passing of a law which allows a State court to seize a building in any State upon the pretense that there is whisky or some form of intoxicating beverage sold in that place—an alleged violation of some municipal ordinance—the door nailed up, and the property taken by confiscation, while the man himself and his family are dishonored for life.

In the meantime, answering my friend the Senator from Utah more to the point, I reply that the Federal law provided the same invasion into the State, into the city, against which my good friend inveighs, but, unhappily, in the language used by a past President, "it is a condition, not a theory" which confronts us.

Therefore, within the law, violative as it may be of ancient doctrines, if it be so, this measure under our consideration to-day goes into the State and enters into the private undertakings of the citizen, the financial undertakings of the community; and since it does, I demand that the laws shall be executed in behalf of the humble and miserable who are powerless as well as in behalf of the selected few who are powerful. I ask that the millions be rescued from the destruction of the little they have; that this be done under the law, through the courts, and by the legitimate processes of the tribunals of the law under the Constitution sanctified by the oaths of the judges.

I now yield to the leader from Arkansas, than whom there was never a superior leader [Mr. ROBINSON].

Mr. ROBINSON of Arkansas. Mr. President, I do not like to find myself out of accord with the brilliant and able Senator from Illinois. I feel that I would be remiss in the performance of what is conceived to be my duty if I did not point out a very clear distinction between the principle involved in the case to which has referred and the principle involved in the Senator's amendment.

In undertaking to make that distinction, which evidently the Senator from Illinois has not made, I find myself under considerable embarrassment, because of sympathy with some of the purposes he has in mind and because of recognition of his distinction and learning in connection with the profession to which we are both attached.

The decision in the prohibition case to which he referred extends to the recognition of the power of the Federal Government to authorize the exercise of jurisdiction by a State court in the enforcement of a Federal law. At this time I do not make objection to the principle underlying that decision in view of the Constitution. But the amendment of the Senator from Illinois is not confined to the conferring of jurisdiction on State courts to enforce Federal laws. It is an interference with the enforcement of State laws by Federal statutes.

The Federal Government can not confer on a State court the power to restrain the enforcement of a State statute, and in most of the cases which would arise under this amendment the jurisdiction would grow out of the State laws and constitutions rather than out of the Federal law, although instances might arise and would arise in which the Federal statute would be involved.

If you recognize as vested in the Federal Government the power to authorize State courts to restrain or enjoin the enforcement of State laws, you destroy completely the

power and jurisdiction of the States. When you confine your action to authorizing State courts to enforce Federal laws you merely exercise the power which inheres in the Federal Government to choose its instrumentality.

When you undertake to authorize State courts to enjoin the enforcement of State laws, you do interfere notably with State jurisdiction.

I want to point out to the Senator a further fact which applies to the policy of the amendment. I do not believe that it is possible to determine in advance of the litigation which, or in what cases, litigants would be entitled to a moratorium under the amendment. It would, therefore, throw the whole subject into confusion. It would create consternation in the minds of creditors and of debtors and it might result in serious difficulty. This could happen: A financial institution borrowing from the Reconstruction Finance Corporation might be enjoined from the collection of debts due it. There is nothing in the amendment to permit the institution seeking to collect its debts against a receivership on the part of its creditors, for it is a well-known principle of law, which the Senator from Illinois knows much better than I, that all statutes of this character must be strictly construed. They will not be construed liberally.

The language of the amendment is limited to ordering a continuance or suspending any action seeking judgment and levy and execution. So the moratorium proposed by the amendment would not be general, but it would be somewhat indefinite; and if a creditor of a corporation which is a beneficiary of the Reconstruction Finance Corporation bill should seek to do so, he might obtain a receiver for the very reason that the corporation, or the individual, for that matter, was denied the privilege of collecting debts.

I think this is a very important matter. I think the provision would have to be studied very carefully. I must say very regretfully that I can not give support to the amendment proposed by the Senator from Illinois, much as I would like to do so.

Mr. LEWIS. Mr. President, I respect greatly the views of the eminent leader of the minority, and I reply to say that he has laid his finger upon one of the delicate and difficult situations in the amendment. Frankness and justness compel me to say that the Senator from Utah and the Senator from Arkansas have found the one place in the amendment that gave me considerable doubt; that is, doubt as to the innovation of Federal power being given to courts of the States. I do not mean doubt in my own mind, but confusion to a degree of uncertainty as to public understanding. That is why I confessed at the outset that I had patterned my amendment after the English act and confided to the Senate that there were some features about it which I had added as to which I had some considerable degree of tremulous anxiety and doubt as to how far that particular phase could be said to be parallel to the English act.

I now answer definitely, and I trust pertinently, our friend from Arkansas. First, quite true it is that there are statutes in the different States, and that most of the actions in some of the States, particularly at common law, would be under the statute; but the theory of the equity court in every State is to lay its hands upon the statute, to restrain its enforcement wherever the conditions justify that that statute should be restrained of its literal application, if you please, in the contemplation of the Scriptural injunction proclaiming that "The spirit maketh, the letter killeth the law." Sirs, it is the province of the court of equity which I have defined in the amendment to restrain action under any statute wherever that action would be so inequitable as to work a deliberate injustice to the citizen in the form of confiscation of property and destruction of his rights.

The lawyers sitting about me on both sides of the Chamber recall with interest that the students of the law were oftentimes confronted with the thought and expression from eminent writers on the law that the most complete definition of equity was that which was handed to us by Grotius which, if I recall it, recites that equity is "the correction of that wherein the law by reason of its universality is deficient." It is because the statutes are deficient in anticipating just such emergencies of personal suffering, losses of



property, and suicide of hopes that the equity court is possessed of the power of restraint under all circumstances that would in righteousness invoke them.

The Senator from Arkansas says we would not know at the outset whether the individual was within the provision of the law. I answer that affirmatively and accept his proposition. But the court's duty would be, upon every application, to ascertain then whether the conditions were such that the applicant was either within the law or, in the nature of things, could be within its purpose as intended by the law. It is assumed that a court would exercise such industry as would be appropriate under the circumstances to advise the litigants of what would be right in the premises.

Here I invite my learned friend from Arkansas to consider that while it is true there would be great uncertainty, I likewise reply that, in any of the 15,000 applications for receivership for now large institutions pending in but one great city of one great State, it is also uncertain as to whether the facts justify the courts to grant those receiverships. It could not be decided until the facts were before the court by which it could determine whether a receivership was wise or whether it would be disastrous to the property, and would not be the salvation of the debtor. In all these instances, each case would call for examination under the statute to which my learned friend alluded, under equity practice, under the general practice of the Federal court, or under the amendment proposed by me that merely vests in the court the privilege to determine whether or not the process should continue that meant the destruction, the foreclosure of the property, the maceration out of material existence of a human being seeking relief, while the machinery promising such was being prepared in his behalf.

Therefore I answer my friend, to say, I confess there are the difficulties, but long ago Aristotle left to us the observation that "Every great measure of advantage has its measure of disadvantage." Therefore if this amendment contains matter that is indefinite, if it contains something to be eliminated, or if by some addition it can be made clear and exact in its purpose, eminent Senators who are in sympathy with some change can by amendment cure this error, and we could possibly move on to perfection of the amendment, or, as it is, we could adopt the philosophy of Portia, "Better do a little wrong in order to do a great good."

Mr. BRATTON. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Illinois yield to the Senator from New Mexico?

Mr. LEWIS. I yield.

Mr. BRATTON. Preliminary to the question I desire to propound to the distinguished Senator from Illinois, permit me to say that the authority of Congress to confer equity jurisdiction upon a State court troubles me. I think the case the Senator from Illinois cites respecting searches and seizures under the prohibition act is distinguishable, because the eighteenth amendment contains a provision that the Congress and the several States shall have concurrent power to enforce the article by appropriate legislation. Of course, when the requisite number of States ratified the amendment they gave their assent to that concurrent authority. The States have not consented to such concurrence here. Consequently, it seems to me that the case which the Senator cites is not parallel.

The United States district courts now exercise general equity jurisdiction. Practically every State has a court with general equity jurisdiction. In some States they are called district courts, in some they are called circuit courts, and in some courts of chancery. But they are courts administering equity jurisdiction. It seems to me that a court of general equity jurisdiction has power now to do everything contemplated by the Senator's amendment. In other words, a Federal court exercising general equity jurisdiction or a State court exercising general equity jurisdiction has unlimited power now to do everything that the Senator's amendment undertakes to provide.

I wonder if the Senator has in mind a hypothetical case where a court of equity jurisdiction would not have authority and yet under this amendment it would have authority?

Mr. LEWIS. Mr. President, I seem to be confronted to-day with something of a barrage of eminent ex-judicial officers of distinguished service. Among them is the eminent Senator from New Mexico who interrogates me. He was an honor to his State while serving upon the supreme bench of that State. In that Senator, as in the Senator from Utah [Mr. KING], I recognize that assurance of a knowledge of technical procedure quite superior to what I possess, leading me to conclude that my views are in contest from high sources in my own party.

I wish to answer my friend from New Mexico, conscious that his view is born of his fears. The law as now existing in the States, where a judge sits in equity in a State court, would authorize him to restrain procedure. But this could not apply as to a matter under the Federal act, for under the statute the power is limited to the law of that State defining it.

I reply further to the Senator from New Mexico to say that, as the Senator from Arkansas said, if it was enforcing a statute of the State, the statute of the State would be the guide. While that State would have a right to restrain within that State certain procedure, it would only have that right in the exercise of an ordinary equity. It could not restrain the proceedings under this act. It could only act where the act provided that the person had the right to have the delay until he could enjoy the provisions and not be foreclosed out, despite the acts of the legislature or of procedure while the matter was pending and his application was hanging and awaiting action.

Second, I now answer my friend further. Without this provision I invite the learned former justice and eminent Senator from New Mexico to this thought: A State court would have no jurisdiction unless there was some provision granting it that authority. The Federal courts would have no jurisdiction unless the plaintiff was a citizen of one State and the defendant a citizen of another, or unless there was a charge somewhere that was violative of a Federal statute or of the Constitution. I am giving the very basis which my eminent friend from New Mexico says is needed under the Federal statute as a basis by which, going into the Federal court without regard to citizenship, he can contend his right under the Federal statute, this law, and that bases jurisdiction in the Federal court. Without it there would be none to give that individual relief in any tribunal, as I understand it.

Mr. BRATTON. Mr. President, may I ask the Senator a further question?

The PRESIDING OFFICER. Does the Senator from Illinois yield further to the Senator from New Mexico?

Mr. LEWIS. Certainly.

Mr. BRATTON. Is it the concept of the Senator that under this amendment a citizen of his own State could go into the Federal court of Illinois and enjoin another citizen of Illinois from enforcing a judgment of \$500 or from suing upon a note for a thousand dollars? Does the Senator entertain the view that this amendment would give a new jurisdiction to the United States district court?

Mr. LEWIS. To the contrary, it gives a new jurisdiction to the United States court in matters where the Federal court takes jurisdiction by virtue of the residence of the citizen. This amendment gives to the State courts a jurisdiction by which a citizen of the State can obtain from the State court relief pending his effort to obtain the privileges created for him by the bill. This process prevents his property from being destroyed by foreclosure or himself evicted from his premises while those in his behalf are applying for the advantages provided for in the pending bill.

Now, sir, I come to a conclusion. I have occupied the Senate longer than was my intention. I have yielded, of course, willingly, to eminent Senators who have interrupted me, and I am glad to have their views on some aspects of the matter where perhaps mine are somewhat deficient; but I bring this thought to the attention of the Senate: If we do not adopt a measure such as I offer or something similar, in what manner are we going to protect individuals who are assumed to be the cestui que trustents, as we lawyers would speak of it, who are assumed to be the benefi-



ciaries under the act during the time when it is being constructed for action and results? What will you do during that time, while money is being prepared to go forth to the smaller institutions through the larger ones to find its way to those who mostly need it? How are we to protect the threatened and imperiled from being foreclosed out of existence and a repetition of the calamity and tragedy which followed the creation and enforcement of the farm loan act between the time of its passage and the time of its administration?

If we do not adopt some measure such as that tendered here, or something similar in its spirit, in what way are we offering them any protection or guardianship at all? Has it come to the point that Senators are to be of those of whom Macbeth speaks?—

The juggling fiends no more to be believed,  
That palter in a double sense;  
That keep the word of promise to the ear  
And break it to the hope.

Have we reached the point that under the pretense of relief we merely invite confidence to betray it? Sir, have we not examples around us to warn us that we may go too far in weakening the public confidence? At a time like this, when an opportunity is really afforded to help those in distress, shall we permit it to be pointed out that, while we allow \$240,000,000 in a single payment to be released to those outside our land and of foreign citizenry, we will not give \$2.40 of relief to the unhappy individual at home or give any form of protection, nor afford him even the advantage to go to the courts, of which we ever boast such surety and power, ever bespeak before the multitudes the great regard the citizen has for their sanctity under the Constitution and of the sure relief they afford to each individual however high or however low?

I merely offer this amendment that the spirit of it may submit itself to the consideration of the eminent Senators, to be changed in any form necessary in order to accomplish the purpose, if the purpose be worthy; and if it not be this, then where else may we turn?

Mr. President, let me speak frankly to my confrères. I can not be unconscious of the atmosphere of suppressed discontent that surrounds this Government. I can not be oblivious to the fact that all around the United States of America throughout the nations of the world there is insurrection and revolution. I can not be blind to the spectacle of other lands shattering their constitutions to remnants, dissolving their institutions into chaos; I must see all respect lost for law and note the defiance shouted at government. We see the crumbling of crowns, the melting of empires, and before the world we shudder at the parade of anarchy on the one hand and the procession of communism on the other. Shall I flatter myself that my dear and beloved country, though blest by Providence in so many ways beyond description, shall be exempt from the influences, sir, of the circle of conflagration that surrounds it in the multiplying fires? Well do we recall the words of him who wrote: "Landlords and Law Lords and Trade Lords \* \* \* the spectres you conjure have arisen. Behold strikers and rebels shout defiance. Behold the anarchist with his bombs—the commune with the torch. They are the fruit of the tree you have planted. You sowed the dragon's teeth and planted the wind, and you shall reap the whirlwind as surely as the stream flows seaward."

It is a moment when millions of eyes in America will be turned to this honorable tribunal. They will see that a humble Member presented to this tribunal the aspect of the thousands who would be destroyed and the offer of method or demand for some action by which they could be rescued. They will note that every form of specious technicality under the ancient cry of unconstitutionality or violation of the letter of the law has again been resorted to in order to obviate and avoid a duty which they feel should be performed in an emergency like this as a right to humanity—the inheritance of salvation to citizenship.

I grant to these eminent Senators deep sincerity in all the objections they make; but we are living in an emergency that does not fit the ordinary course of events. It is an

emergency we must meet with valor and invention; we must meet one of danger with another that is rescue. I demand it to-day as the right of man, as justice to the State, as salvation to constitutional freedom. I hope to meet the conscience of the eminent gentlemen who serve under their oaths, but I, as an ancient one, declare that "there is a justice higher than the law."

We are at times charmed to recall, sir, with Bishop Hooker that "of the law there can be no less said than that her seat is in the bosom of God; all mankind acknowledge her the mistress of their joys and happiness—the least as feeling her care, the greatest as not exempt from her power."

I tender to my colleagues the opportunity to discover and to afford the refuge and security to our countrymen who are suffering from no wrong of theirs but of the neglect or oppression of their Government. I demand that as the powerful are granted in this measure righteous rescue from the emergency that bows them down in embarrassment, the humble, the powerless, and the helpless shall likewise be remembered and may rejoice to recall that it was the United States Senate of America that called them to relief and assured them the Nation's justice. I thank you.

Mr. KING. Mr. President, the Senator from Illinois [Mr. Lewis] has, in eloquent language, discussed his amendment and portrayed the tragic situation of a large number of the people of the United States. I pay tribute to the generosity of his heart and to his sincere desire to ameliorate the condition of millions who are in destitution. We can not close our eyes to the serious situation prevailing in the United States—to the industrial depression; the closing of mills and mines, factories and plants; and to the millions who are unemployed; and to the overhanging clouds which weigh so heavily upon the people. But there are some things which governments may not do, and there are situations which can not be cured by legislation.

If I were disposed to be partisan—and I am not—I might attribute the disastrous conditions throughout the United States, the poverty and want and unemployment, to the mistaken and unsound policies of the party which has controlled the Government for a number of years last past. But I shall not enter into a discussion of the causes of the present deplorable condition throughout the country. It is sufficient to say there is want and hunger and unemployment in every State of the Union. This condition is in part due to the unwise, and, indeed, extravagant expenditures made by Federal and State Governments as well as the political subdivisions of the States, and by a large number of the people in the United States. The country accepted the philosophy that prosperity resulted from mass production and enormous expenses by individuals as well as by governmental instrumentalities. The old virtues of thrift and saving and economy were forgotten. Stocks and bonds, amounting to billions of dollars according to their face value, were issued by the States and their political subdivisions, as well as by corporations, and they were unloaded upon the people by high-powered salesmanship methods. Many of these stocks and bonds were improvidently issued, and the purchasers have sustained losses the extent of which it is difficult to ascertain; but it is not inaccurate to say the aggregate losses reach astronomical figures. Not only the Federal Government and the States and municipalities and corporations have incurred enormous indebtedness, but there are billions of dollars of obligations resting upon the people themselves. In my opinion the total obligations of the Federal Government and the States and municipalities, corporations, and individuals will exceed \$200,000,000,000.

The people are now brought face to face with this colossal weight of indebtedness. It is a powerful enemy in the way of progress and liberation from industrial servitude. Many of the financial and banking institutions have grievously erred in contributing to the mountain of debt resting upon the American people; they have encouraged stock and bond issues and loans and expenditures, and some industrial leaders have unwisely expanded their activities and have brought



trouble upon themselves, hardships upon their employees as well as upon the people. In my opinion, the agriculturists of the United States have borrowed too much. Credit has been too liberally provided and too eagerly accepted. The result is that mortgages rest upon farms and real estate totaling approximately \$40,000,000. The financial condition of the country is so serious that it is claimed that the Federal Government must enact legislation which its proponents admit finds justification only because of the lack of money and credit and the inability of the banking and financial institutions of the United States to supply imperatively needed credit. I might say in passing that the gold basis upon which rests the currency and credit in the United States is inadequate to meet the needs of the hour.

The proposition involved in this bill is to authorize the Federal Government to borrow \$500,000,000 with which the capital stock of the corporation to be created by this bill will be acquired, and also to authorize the issuance at par value of a billion and a half dollars of securities, guaranteed by the Government in order that loans may be made and credit extended to banks, financial institutions, and various corporations. Of course, the Government has no money. It will be compelled to borrow from the people. As Senators know, it already has outstanding bonds aggregating more than \$17,000,000,000 and is confronted with deficits which will call for more bond issues amounting to perhaps two and a quarter billions of dollars. It will be observed that this bill furnishes no new money; that no more gold or gold certificates or silver certificates are to be put into circulation. Broadly stated, it means that the Government is to borrow additional sums in order to furnish credit to the institutions to which I have just referred. It is unfortunate that it is regarded as necessary that the powers of the Federal Government must be employed in order to aid in relieving the country from the consequences of unwise and unsound policies, both national, State, and individual.

My learned and eloquent friend has intimated that the foundations of our country are in danger and that there are revolutionary forces operating in the United States. May I be permitted to express dissent from that view? Notwithstanding the economic depression and the want and destitution existing in various parts of our country, I have no doubt as to the patriotism and loyalty of the American people. They have faith in our form of government and in our institutions; they regard with sincere devotion the Constitution of the United States and have no apprehension as to the perpetuity of this Republic. I believe the people desire the States to be preserved and are unwilling to have them destroyed—absorbed by an all-powerful Federal Government.

My distinguished friend finds a model for the amendment which he has offered and which he has just discussed in an English statute. I may be pardoned if I state that in my opinion it should be no precedent to guide the Congress of the United States. Obviously Parliament may enact laws which are valid in Great Britain, but if similar measures received the approval of Congress and the President of the United States they would be unconstitutional. Our form of government is different from that of Great Britain. Great Britain has no written constitution and Parliament is practically omnipotent in dealing with legislative matters pertaining to Great Britain. We have a written Constitution which limits the authority and power of the Federal Government. The English statute referred to by the Senator has no application in Australia or Canada or the Dominions within the British Commonwealth of Nations. Parliament might enact a valid law the operation of which was confined to Great Britain, but beyond the limits of Great Britain and within the Dominions it would be wholly invalid. The States of the Union may enact laws which the Federal Government has no authority to enact. The Federal Government's power is limited, as I have stated, by the Constitution, and within the enumerated powers Congress may act, but beyond the authority conferred upon it by the States, it may not validly act. States have supreme

and undisputed authority to deal with their internal and domestic affairs, but Congress may not lay its hands upon the States or interfere with the rights reserved to the States or to the people.

I might add that what was known as the British Empire has undergone remarkable political and governmental changes in the past few years, while in the United States there is a powerful centralizing movement which menaces the integrity and sovereignty of the States. Demands are made that the Federal Government take over many of the functions of the States and assume a sort of guardianship over them upon the theory that they are inert or so atrophied that they may not discharge the duties devolving upon them.

The British Dominions for years have been demanding a greater liberty and power. This has resulted in a strong decentralizing movement in the British Empire, and to-day substantially all of the British Dominions are sovereign and independent states. The Dominions are bound to the mother country by silken bonds of affection and by tradition, rather than by legalistic forms. Only within the past few days the King signed a measure which practically strips the courts of Great Britain of authority to pass upon judicial questions arising within the British Commonwealths. They interpret their constitutions and the laws of their respective legislative bodies. Great Britain could not pass a law of the character indicated by the Senator which would have any application to the Commonwealths of Great Britain.

Neither can Congress pass a law along the lines of the amendment offered by my friend which would have any validity in any State in this Union. The States have the right to set up such judicial tribunals as they may see fit, and adopt such judicial procedure as they may deem suitable. Louisiana has adopted the Napoleonic Code. The civil law there is recognized and, broadly speaking, is the basis of the judicial system there prevailing. In many of the States the code system has been adopted. In some States courts have equitable jurisdiction and are separate from the tribunals that have what is commonly called common-law jurisdiction. But the courts are creatures of the States, and their jurisdiction and authority are determined by the statutes of the States. In many of the States laws are enacted defining the authority of the courts of equity and prescribing under which circumstances injunction relief or other so-called extraordinary relief may be granted. The States determine the property rights of individuals, prescribe the manner in which property may be transferred, define contracts and provide the forms of mortgages and liens and the manner of their enforcement. The Federal Government may not enter the States and interfere with their sovereignty and authority. Under the guise of equity neither the States nor the Federal Government may interfere with contracts, and certainly the Federal Government may not obtain authority to interfere with contracts or foreclosure proceedings within the States resting upon State laws, even under the pretext of an act passed by Congress which seeks to confer so-called equity jurisdiction for such purpose. The State courts may exercise equitable jurisdiction, and when any person is entitled to equitable relief, the State courts, under their general equity powers and under the statutes of the States, may hear and determine controversies and grant such relief as the facts and the law warrant.

I am unwilling to support any measure that will submerge the States or interfere with their rights and prerogatives or will aggrandize the Federal Government at the expense of the States. There is too much Federal authority. There are too many Federal usurpations. There is too much of a subsidence of the spirit of local self-government; and not infrequently periods of stress are seized upon as justification for the enactment of laws that may not stand the test of time nor the test of constitutional authority.

The lamentable condition existing in the United States, in my opinion, should not be seized upon as a pretext for unconstitutional legislation. And, as I sincerely believe, if this law were passed and were constitutional, it would be



unavailing. Certainly, the State courts, in the exercise of their equity powers, may protect all legal rights of debtors or creditors or persons within their respective boundaries.

Mr. President, as I understand my distinguished friend, he is not entirely satisfied with our Constitution. Perhaps, if he had the power, he would amend it. It may be that it does not meet present conditions—economic and political. However, it is the Constitution, and he and I and all the officials of the Government have taken an oath to uphold and defend it against all enemies foreign and domestic. In my opinion it marked a departure from the past and was one of the greatest achievements of the human mind. Certainly it gave to the New World not one but many republics, and the spirit, if not the letter, of the Constitution of the United States, penetrated all lands and climes and gave inspiration to millions who coveted liberty and who were strengthened to combat despotism and to win the prize of freedom under just laws.

The learned Senator in referring to the observations which I made a few moments ago, speaks of ancient times. Certainly, the Constitution of the United States is not ancient. It is a new evangel in an old world. It has been the guardian of this Republic, and under its benign influence there has arisen a Government, the most liberal and progressive that has ever existed in the memory of man. Who would exchange our dual form of Government for the governmental institutions and political forms found among any people on earth? There are some things that never grow old; there are some things that are eternal. The wisdom of man has discovered no greater political truths than those embodied in the Constitution of the United States and developed under our political institutions.

Mr. President, every Senator regrets the deplorable conditions existing in our country and will be glad to join with the able Senator from Illinois in adopting any measure, within the authority of Congress to enact, that will ameliorate conditions and alleviate the sorrow and sufferings of the people of the United States. Believing, as I do, that the amendment offered by the Senator will not accomplish the results which he anticipates and that it is not within the authority of Congress to enact, I shall feel constrained to vote against it.

The VICE PRESIDENT. The Chair desires the attention of the Senator from Connecticut. Does the Senator from Connecticut desire to perfect his amendment before it is amended from the floor?

Mr. WALCOTT. I do, Mr. President. May I call the attention of the Senate to two printer's errors in the bill which I should like to have changed?

The VICE PRESIDENT. The amendment has not been agreed to. The Senator may modify it, if he desires, before it is submitted for a vote or for further amendment.

Mr. WALCOTT. I do. I thank the Chair.

On page 23, line 9, the word "is" after the word "corporations" has been omitted by the printer. It should be inserted.

Mr. KING. Will the Senator state the amendment again?

Mr. WALCOTT. On page 23, line 9, insert the word "is" after the word "corporations." It is an incomplete sentence. The verb has been omitted.

The VICE PRESIDENT. Without objection, the amendment to the amendment is agreed to.

Mr. WALCOTT. And the word "corporations" is now plural. It should be singular. It should read "the corporation is." The letter "s" should be taken out.

The VICE PRESIDENT. Without objection, the amendment to the amendment will be agreed to.

Mr. WALCOTT. On page 31, lines 20 and 21, the word "Treasurer" is used. It should be "Treasury."

The amendment to the amendment was agreed to.

Mr. WALCOTT. The word "in" should be "into." Instead of "in the Treasurer," it should be "into the Treasury." Both are printer's errors.

The amendment to the amendment was agreed to.

Mr. WALCOTT. That is all, Mr. President.

Mr. ROBINSON of Arkansas. Mr. President, while the Senator is making mere verbal amendments, may I suggest his consideration of one on page 31? I am not sure that my suggestion is correct; but, having given some thought to it, I think the change should be made.

In line 13, I believe the word "deposit" should be "payment."

Mr. FESS. On what page?

Mr. ROBINSON of Arkansas. On page 31, line 13. It appears to have some importance in view of the language that precedes the use of the word "deposit."

Mr. WALCOTT. Mr. President, I accept that suggestion. It should be changed. The word "deposit" should be "payment."

The amendment to the amendment was agreed to.

Mr. WALCOTT. Mr. President, the paragraph at the bottom of page 28, in view of modifications made in the bill, is irrelevant and does not belong here. It does not add to or detract from the bill and has no part in the bill. I am speaking now of page 28, lines 20 to 25, inclusive, and on page 29, lines 1 to 3, inclusive. They refer to the Federal reserve act in error. That subsection (f) does not belong there, and I move that it be stricken out.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The bill is before the Senate, and the question is on agreeing to the amendment reported by the committee as amended.

Mr. SHIPSTEAD obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President, was the principal amendment offered by the Senator from Connecticut agreed to?

The VICE PRESIDENT. It was.

Mr. ROBINSON of Arkansas. Was an explanation made of that amendment—the amendment striking out quite a material part of the text of the bill?

The VICE PRESIDENT. The Senator from Connecticut explained it. Does the Senator from Arkansas desire a reconsideration in order to have it explained further?

Mr. ROBINSON of Arkansas. No; I do not desire a reconsideration. I just wanted to know what the explanation of the amendment is.

Mr. WALCOTT. I shall be glad to explain it, Mr. President.

Mr. GLASS. Mr. President, if the Senator will pardon me, the explanation is that the subcommittee first had under consideration the question of making these debentures of the corporation eligible for rediscount and eligible for purchase by the Federal reserve bank. We always agreed unanimously that they should not be eligible for rediscount, and we tentatively agreed that they should be eligible for purchase. We afterwards unanimously agreed that they should be eligible for neither rediscount nor purchase; and this paragraph was inadvertently left in the bill, and should have been stricken out.

Mr. ROBINSON of Arkansas. Very well. I am satisfied with that explanation.

Mr. SHIPSTEAD. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 20, line 23, after the first comma, insert the following:

to any State for use in operating a system of rural credits established and maintained by such State, or.

On page 21, line 8, before the period, insert a colon and the following:

*Provided*, That loans to a State may be made upon the bonds thereof pledging the credit of such State. For the purpose of consummating a loan to a State, the corporation may submit a bid for the purchase of the bonds of such State where the law thereof requires such bonds to be sold upon competitive bids.

On page 21, line 21, after "loan," insert a comma and the following: "except a loan to a State."

The VICE PRESIDENT. The clerk will state the first amendment proposed by the Senator from Minnesota to the amendment of the committee.



The LEGISLATIVE CLERK. On page 20, line 23, after the first comma, insert:

to any State for use in operating a system of rural credits established and maintained by such State, or.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota to the amendment of the committee.

Mr. KING. Mr. President, I should like to inquire what is the purpose of the amendment.

Mr. SHIPSTEAD. I will say to the Senator from Utah that in the debate which took place on this bill yesterday it was said that certain provisions and benefits of this law could be extended to certain bona fide financial institutions. I have talked over the matter with the Senator who is in charge of the bill, and he says that it does not add to or take away from the provisions of the bill, except that it makes the intention of the bill more specific.

The VICE PRESIDENT. The question is on agreeing to the first amendment offered by the Senator from Minnesota to the amendment of the committee.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. Without objection, the other amendments to the committee amendment, which are along the same line, will be agreed to.

Mr. REED. Mr. President, there are a number of corrections that it seems to me should be made in the bill.

On page 21, line 17, obviously the word "with" is a mistake and ought to be the word "upon," so as to read:

No loans or advancements shall be made upon foreign securities—

And so forth.

I move that amendment, to strike out the word "with" and put in the word "upon."

I take it there is no objection to it.

The VICE PRESIDENT. Without objection, the amendment to the amendment is agreed to.

Mr. KING. Mr. President, may I make an inquiry at this point? Perhaps the explanation was made yesterday. I was attending a committee meeting most of the day, and could not be here.

I am curious to learn of the reason for making an exception in behalf of Canada. While I have the greatest admiration for Canada—and her fine and progressive people—I am at a loss to know why we are singling her out and taking her from under the operations of the bill.

Mr. REED. I should rather that the Senator in charge of the bill would explain that.

The VICE PRESIDENT. Will the Senator from Connecticut give his attention?

Mr. WALCOTT. Mr. President, I heard what the Senator said. I think not, Mr. President. It certainly is not our intention to injure Canada in any way.

Mr. KING. I know that.

Mr. WALCOTT. It is a friendly gesture. I personally had other views with reference to using the word "foreign," but it was the consensus of the majority of the committee that it should remain as it was, the idea being that no foreign securities should be accepted as collateral other than Canadian securities. It might have been turned around, and the language might easily be "only United States securities," but the committee approved this wording, and we left it alone.

Mr. KING. May I say to my friend that I fear some conclusions may be drawn that may be unfounded or unjust. It is known that the American people entertain for Canada not only profound respect but, indeed, a deep affection, and are willing always to do something more than make a gesture to evidence the fraternal feeling and the high regard that we entertain for Canada and her people. I do not think that Canada would ask to have inserted in this legislation a provision that singles her out and seeks to give her a preference over other countries.

I do not wish to go contrary to the wishes of the committee; and yet it occurs to me that the committee, upon further consideration of this matter, will upon their own motion move to eliminate the provision.

Mr. WHEELER. Mr. President, I hold exactly the same views as the Senator from Utah with reference to this matter; and I propose to strike out the words "except those of the Dominion of Canada and of Canadian corporations," so that it will refer to all foreign corporations alike.

As a matter of fact, if this bill has any purpose at all, it is for the purpose of helping American corporations, or helping their securities, and not Canadian or foreign securities. The minute we go ahead and put in here "excepting Canada," we give a preference to Canada and Canadian corporations, and put Canadian corporation securities exactly on a par with United States securities.

Mr. ROBINSON of Arkansas. And we invite resentment from every other country in the world.

Mr. WHEELER. Exactly; we can not help but do it. It seems to me it is unjust to our own institutions. It is unfair that this Government of ours should be helping foreign corporations. That is what it is doing. It is helping foreign corporations by placing their securities on a par with those of the United States, and making them so that loans can be made upon them.

I move to strike out the portion beginning on page 21 with the words "except those," on line 18, to and including the words "Canadian corporations."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Montana to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Has the Senator from Pennsylvania other amendments?

Mr. REED. I have other amendments, but I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senator from Pennsylvania was courteous enough to yield to me. I wish to submit an amendment, and invite the attention of the Senator from Connecticut. The amendment arises out of a discussion that occurred yesterday.

I propose on line 2, page 22, commencing with the word "except," to strike out all the language down to and including the word "act," in line 7, so as to eliminate the provision which limits the power of the Reconstruction Finance Corporation to making loans based on banking credit extended prior to the adoption of the act. Some amendment of the section will be necessary, because of amendments already adopted. The amendment of the Senator from Minnesota seems inconsistent with this provision; and, since the corporation is not compelled to make loans for any purposes, I believe that the object which I had in mind in the discussion of yesterday will be accomplished by the elimination of this language. I ask for the consideration of the amendment to the amendment.

Mr. WALCOTT. Mr. President, that was considered at some length by the committee. The feeling of the committee, as well as of the Federal reserve authorities, is that without that language the new corporation would or might be put into the banking business, which we wanted expressly to prohibit.

The amendment just proposed by the Senator from Minnesota, in my opinion, does not add to or detract from the authority contained in the bill. I agree with the Senator from Arkansas that these words may nullify the amendment of the Senator from Minnesota, and I so told that Senator this morning. But I do not believe there is any objection to the amendment offered by the Senator from Minnesota, because of the broad powers left to the board. They can, in their wisdom, determine whether they can lend to a State, provided that State assumes the functions of a financial institution. But if we took out the lines which the Senator from Arkansas suggests be eliminated, we would then give to the board the authority to deliberately go into the banking business, and as the corporation is to be only a lending corporation, we want to stop them from doing that.

Mr. ROBINSON of Arkansas. Mr. President, if the purposes of this measure are to be conserved, it may not be wise to restrict the activities or the loans of the board to the re-



financing of loans which have already been made by banking institutions.

Mr. WALSH of Montana. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. WALSH of Montana. This is a very important matter—

Mr. ROBINSON of Arkansas. It is a very important matter, and I may say that I have no disposition to treat it in a perfunctory manner. I want it fully discussed and considered, if there is opposition to it by the Senator in charge of the bill.

Mr. WALSH of Montana. I was going to suggest to the Senator that if the Senator intended to indulge in any discussion of the matter we ought to have a larger number present, and I was about to suggest the absence of a quorum.

Mr. ROBINSON of Arkansas. I yield for that purpose.

Mr. WALSH of Montana. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Jones	Sheppard
Austin	Davis	Kean	Shipstead
Bailey	Dickinson	Kendrick	Shortridge
Barbour	Dill	Keyes	Smith
Barkley	Fess	King	Smoot
Bingham	Fletcher	La Follette	Steiwer
Black	Frazier	Lewis	Thomas, Idaho
Blaine	George	Logan	Thomas, Okla.
Borah	Glass	McGill	Townsend
Bratton	Glenn	McKellar	Trammell
Brookhart	Goldsbrough	McNary	Tydings
Bulkley	Gore	Metcalf	Vandenberg
Bulow	Hale	Morrison	Wagner
Byrnes	Harris	Moses	Walcott
Capper	Harrison	Neely	Walsh, Mass.
Caraway	Hastings	Norbeck	Walsh, Mont.
Carey	Hatfield	Norris	Waterman
Connally	Hawes	Nye	Watson
Coolidge	Hayden	Patterson	Wheeler
Copeland	Hebert	Pittman	White
Costigan	Howell	Reed	
Couzens	Hull	Robinson, Ark.	
Cutting	Johnson	Robinson, Ind.	

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, I believe it is entirely possible to modify my amendment in a way that will meet with the approval of those in charge of the bill and, at the same time, conserve the purposes of those who are in sympathy with the object which I have. With the assistance and at the suggestion of the junior Senator from Virginia [Mr. GLASS], I modify my amendment so as to strike out the language commencing with the word "except" in line 2, page 22, and extending down to and including the word "act," on line 7, and inserting in lieu thereof—and I ask particularly the attention of the Senator from Montana to this—the words:

*Provided, That said corporation shall not in any event engage in commercial banking business in competition with existing banking institutions.*

That amendment is intended to accomplish the purpose which I am told the committee had in mind when it incorporated this limitation I am seeking to strike out on the power of the reconstruction finance corporation. It will still leave the corporation at liberty to make loans which are within the class I designated yesterday.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. BARKLEY. It is the understanding of all of us that the object of this language which is proposed to be stricken out was to prevent corporations or financial institutions of any sort from freezing up their assets in the future and then making application for this reconstruction finance corporation to unfreeze them by making a loan, and that the object of this bill was to limit its operations very largely to thawing out situations which already existed. Would the language suggested in substitution, as now proposed by the Senator, leave it possible for corporations to do that thing and then go to the reconstruction corporation with an application for a loan on the ground that banks ordinarily engaged in the

business of lending money were unable to accommodate them, and therefore that there would be no competition in this corporation making a loan if a bank could not?

Mr. ROBINSON of Arkansas. Mr. President, I am unable to answer completely the question of the Senator from Kentucky. I think this is an extraordinary statute. It is intended to meet an emergency condition. With respect to the purposes of the loans which are in contemplation, the powers of the board are practically unlimited. It is rather unduly restrictive, I think, to say that no loans shall be made for any purpose except to refinance an operation which already has established banking credit. I think that if that provision remained in the measure and should be applied literally, it would in many instances unduly impair the effect of the operation of the statute, and I do believe that the limitation suggested by the Senator from Virginia meets, for the most part, the objections which the Senator has in mind.

I would not want the board to be precluded from authorizing a loan to an agricultural credit corporation merely because the agricultural credit corporation had not already established the indebtedness upon which to base the loan.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from California?

Mr. ROBINSON of Arkansas. I yield.

Mr. SHORTRIDGE. I listened to the reading of the Senator's suggested amendment to the amendment as originally proposed. That does not, of course, make it mandatory upon the corporation to make the loan, but gives it the discretionary power to do so.

Mr. ROBINSON of Arkansas. It does broaden the power of the corporation. Otherwise, I would not seek it.

Mr. SHORTRIDGE. I understand.

Mr. ROBINSON of Arkansas. I think if we are to rely on this measure as the great reconstruction act which is to dispel gloom, bring back sunshine, cheer us up, and revive our confidence and our credit, there is no occasion for making it impossible for those who most need assistance to secure it. There will be many instances in which they can not obtain it, no matter what provisions we write into the law. But it is our duty to make it as liberal and as fair and as impartial as possible.

I think that in incorporating the modification of my amendment suggested by the Senator from Virginia, I am accomplishing the purpose which the committee primarily had in mind.

Mr. THOMAS of Idaho. Mr. President, will the Senator yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. THOMAS of Idaho. I am in entire accord with the amendment of the Senator from Arkansas, if it goes far enough. The particular thing in which I am interested is the provision relating to livestock companies and agricultural associations. This provision was written into the bill by the committee at my suggestion.

Most of the livestock companies are defunct. I am not asking for capital to organize new companies. But unless some provision is made in order to take care of these livestock and agricultural communities this bill will be of no value whatever to the West.

Mr. ROBINSON of Arkansas. That is exactly the view I take, that without the amendment proposed loans which the Senator has in mind could not be made, however meritorious and necessary they might be. With the amendment adopted they could be made and the making of the loans would be in the discretion of the board.

Mr. THOMAS of Idaho. Would a strict interpretation of the Senator's amendment, in his judgment, preclude the operation of a new livestock company?

Mr. ROBINSON of Arkansas. It would not preclude loans to a new livestock corporation. It would not preclude loans to any agricultural credit institution. It would leave in the discretion of the board the making of such loans, so long as they did not fall within the class of commercial loans which, as the Senator knows, have a technical and well-



defined meaning. It would leave them to the discretion of the board.

Mr. THOMAS of Idaho. The question arises in the West. In many of our banks livestock loans are carried, but in many other communities we have to resort to livestock-loan companies, because the banks are not able to carry the livestock loans. Many of those livestock corporations are in distress and we must have new corporations; we must have a new place to float the paper. It is the same debt the farmers and stockmen now owe.

Mr. ROBINSON of Arkansas. I think those loans could be made under the terms of the amendment.

Mr. WALSH of Montana. Mr. President, my attention was distracted for the moment and I do not know what the subject matter now being discussed is.

Mr. ROBINSON of Arkansas. The amendment to the amendment is to strike out all language on page 22, commencing with the word "except," in line 2, and extending down to and including the word "act," in line 7, and to insert in lieu thereof the following:

*Provided*, That said corporation shall not in any event engage in commercial banking business in competition with existing banking institutions.

Mr. WALSH of Montana. To what does the language "said corporation" refer?

Mr. ROBINSON of Arkansas. It refers to the Reconstruction Finance Corporation, the corporation created by this bill. If the Senator would prefer to say so, I have no objection to modifying it to read, "*Provided*, That the Reconstruction Finance Corporation shall not in any event," and so forth. I will modify it in that way if the Senator is in doubt, so that it shall read: "*Provided*, That the Reconstruction Finance Corporation shall not in any event," and so forth. There is an express provision in the bill that the word "corporation" means the Reconstruction Finance Corporation, but I do not care to make a point of it.

Mr. WALSH of Montana. I think that makes it more specific, because the word "corporation" is used in other connections as well as for designating the Reconstruction Finance Corporation.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Iowa?

Mr. ROBINSON of Arkansas. I yield.

Mr. BROOKHART. It seems to me the Senator's amendment prohibiting the corporation from going into any business in competition with banks, or into the banking business, practically nullifies its power. I do not think any of these loans which are contemplated are prohibited to banks. The bank could come in and say, "That is competition with us, and it would be illegal."

Mr. ROBINSON of Arkansas. The Senator evidently did not hear or did not correctly grasp the meaning of the language that is employed. It is commercial banking. Commercial banking has a pretty well defined meaning. It relates to the acceptance and rediscount of what is known as commercial paper—that is, short-term paper, 30 or 60 or 90 day paper, and so forth.

Mr. BROOKHART. But it also includes a good many other kinds of loans.

Mr. ROBINSON of Arkansas. Not commercial banking.

Mr. BROOKHART. I do not know of such a definition as that in the law.

Mr. ROBINSON of Arkansas. It is not in the law, but it is well established in the business world. "Commercial banking" has a very well defined meaning.

Mr. BROOKHART. The Federal reserve system is a commercial banking system and it rediscounts other lines of credit and paper.

Mr. WALCOTT. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Connecticut?

Mr. ROBINSON of Arkansas. Certainly.

Mr. WALCOTT. I wish to reemphasize my first statement in reply to the Senator from Arkansas justifying the committee's attitude in inserting these lines. We were very

much opposed to the danger or the possibility of creating a large central bank that could go into broad banking business. If the Senator's proviso excludes all institutions or prevents competition with existing banking institutions on the part of this corporation, then I see no particular objection. We want to guard against this corporation acting as a great central bank and going into competition with existing financial institutions.

Mr. BULKLEY. Mr. President, I want to ask the Senator from Connecticut if it is not a fact that the adoption of this amendment would open the way to invite the very sort of transactions that have frozen up these banks, by the assurance that the Government stands there to unfreeze them as soon as they have made their errors.

Mr. WALCOTT. I think that is true unless we insert the provision which the Senator from Arkansas has offered. I may say for the benefit of Senators interested in this matter that I personally am in favor and I believe every member of the committee is in favor of bringing the relief that is wanted, but I hope we can do it with a proviso that will not jeopardize the rest of the bill and not bring this corporation into competition with existing legitimate bona fide commercial banks.

Mr. ROBINSON of Arkansas. Of course, if we put in an express provision stating that it shall not engage in competition with existing commercial banking institutions, we will accomplish that end. By striking out the limitation there will be no necessity for a specific reference to the exception which was inserted in the bill at the instance of the Senator from Florida [Mr. FLETCHER].

I do not believe that this great board and corporation, designed as a reconstruction agency at a time when conditions are disturbed as they are now, should be limited so that under no possible condition can it make any loan except to take up a loan that has already been made with some bank. If its power is limited in that way, we will prevent for the most part the very purposes which are in contemplation in the enactment of the legislation. Why deny to a livestock association that is in need of funds, that already has performed its duties, or why deny to an agricultural association likewise, the power to obtain funds under this bill if the board finds that it is essential in promoting the public welfare? Why limit it to old loans made to banks?

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Kentucky?

Mr. ROBINSON of Arkansas. I yield.

Mr. BARKLEY. I am in full sympathy with what the Senator from Arkansas has in mind with reference to agricultural credit, but the language offered in the amendment and the language which we propose to strike out has no reference to agricultural credit and livestock associations or any other agricultural organizations. It leaves it entirely open for all sorts of corporations, commercial and otherwise, to make new loans hereafter in banks, which then may become frozen and they can not make any other loans through any other bank or can not refinance that loan through the bank where it has been made. They can then go to this corporation under this language and say, "We admit this is a new financial transaction. It is a loan that has been made originally since the enactment of this law. But we have got to have this credit because no bank will make us any further loan, and therefore a loan made now would not be in competition with any commercial bank, because they are not making any such loans."

Mr. ROBINSON of Arkansas. That would be a consideration which would permit the board to reject the loan.

I want to be entirely frank. I am a stockholder and an officer in a joint-stock land bank. I do not feel at liberty to offer an amendment which expressly makes provision for joint-stock land banks. I do not feel that the Senate ought to commit itself to a policy of restricting these loans so that those who worst need assistance can not secure it. I believe we ought to be liberal in extending powers to the board, for at last we have got to rely on the exercise of



discretion by the board in making the loans. If we deny the insertion of such terms as will permit loans to agricultural credit and livestock associations we will be compelled to pass another bill in a very short time. This will result in mere piecemeal legislation.

I am not saying that any particular loan ought to be granted. That is in the discretion of the board just as particular loans to railroads and banking institutions are in the discretion of the board. But the power ought to exist. I do not believe that there could be any substantial objection to the amendment as modified at the suggestion of the Senator from Virginia [Mr. GLASS].

Mr. WALSH of Montana. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Montana?

Mr. ROBINSON of Arkansas. Certainly.

Mr. WALSH of Montana. There is a very strong sentiment in my State and in the West generally in favor of this legislation upon the assumption that it is a revival of the War Finance Corporation. Under the provisions of the War Finance Corporation act, as it was amended in 1921, loans could be made to "any person engaged in the United States in dealing in or marketing any such products or to any association composed of persons engaged in producing such products, for the purpose of assisting them in carrying such products until they could be exported or sold for export in an orderly manner." Note that loans could be made to an individual "dealing in or marketing" such products, but could not be made to an individual "engaged in producing" such products. Loans could be made only to associations engaged in the production of such products. Accordingly, aid was extended under the provisions of the War Finance Corporation act to the producers by inducing them to organize themselves into associations to which loans were made. A great deal of relief was extended and the livestock industry, particularly in the West, was preserved by the organization of such associations to which loans were made by the War Finance Corporation.

The trouble to-day is that under the bill as it is now before us we are providing that loans shall not be made to new enterprises, so it would be quite impossible to pursue that policy and to organize new associations to which loans could be made. Since that time the intermediate credit act was passed, and livestock loan associations have been organized under the provisions of that law, borrowing from the intermediate credit banks or negotiating their securities with that institution; but, as pointed out by the Senator from Idaho, many of those associations, by reason of adverse conditions, have practically failed and have suspended business or are in process of suspension. It is hoped that associations will be organized to take over the assets of those failed agricultural livestock credit associations and, taking them over, will make additional loans to associations to which loans would be made under the provisions of this proposed act as they were made under the War Finance Corporation act as it was originally instituted. Accordingly, Mr. President, those of us who represent those sections are dissatisfied with this provision which excepts from the operations of the proposed act any new enterprises or projects.

Mr. BULKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I yield.

Mr. BULKLEY. Does not the Senator think it would be wiser to prepare an amendment which would make an exception in favor of the specific transactions that he wants to admit rather than throw open this act to any and every sort of a promotion that might be suggested anywhere?

Mr. WALSH of Montana. If the Senate should, in its wisdom, conclude to retain this provision in the bill, it was my purpose to offer a proviso following this particular exception, reading as follows:

*Provided, however, That this exception shall not extend to agricultural livestock credit corporations.*

That would meet all the necessities of our case.

Mr. BULKLEY. Mr. President, I should like to ask the Senator from Arkansas if that would not be quite satisfactory?

Mr. ROBINSON of Arkansas. My amendment is under consideration, and I will say the language proposed is not at all satisfactory to me, because it does not reach the cases of agricultural credit corporations; it does not reach the case of land banks; it does not reach numerous other cases that ought to be recognized.

Mr. WALSH of Montana. Let me say to the Senator that it expressly provides for livestock credit associations.

Mr. ROBINSON of Arkansas. But it does not expressly enumerate the other associations.

Mr. WALSH of Montana. No.

Mr. COUZENS. Mr. President, I should like to ask the Senator from Arkansas if the bill does not cover the ground he has in mind, how he interprets the words "loan association" which are found in line 24, on page 20? Do not those loan associations cover the ones to which he refers?

Mr. ROBINSON of Arkansas. I think the Senator from Michigan has missed the point. There is in this bill, on page 22, commencing at line 2, the following language—

Mr. COUZENS. I understand that. What I am trying to get at is, with the amendment proposed by the Senator from Montana, would not the provisions the Senator from Arkansas proposes be covered under the words "loan association" as found on page 20? I do not understand what the meaning of the words "loan association" is if they do not incorporate the very activities to which the Senator from Arkansas makes reference.

Mr. ROBINSON of Arkansas. I still think the Senator from Michigan has not grasped the phase of this controversy that is of controlling importance. There is in the bill a provision which my amendment seeks to strike out limiting loans to the purpose of refinancing loans that already exist in banks, so that if this bill shall retain that form there can be no loans to agricultural credit associations, livestock associations, joint-stock or Federal land banks for any other purpose than to take up old loans. My amendment, if agreed to, would strike out that language, impose a restriction to the effect that the reconstruction finance corporation could not engage in commercial banking, and leave the board of directors free to make any loans outside that limitation that it should find necessary and essential. I believe it will be found in the long run that if we desire this act to become effectual that end will be more readily accomplished by liberalizing than by restricting the language respecting loans and other purposes.

Mr. BULKLEY. Would not that leave it open to every sort of promotion scheme that may be conceived of?

Mr. ROBINSON of Arkansas. If the Senator conceives that the corporation is likely to go into promotion enterprises, some limitation of the nature he suggests might be inserted; but what I am insisting on is it is proposed to insert here, deliberately, a limitation that if observed—and I assume it will be observed—will prevent making any loans that are just as essential to the revitalization of industry in this country as are any of the loans that are going to be made, although they will not be so large in volume.

Mr. BULKLEY. Of course the Senator knows that I am in sympathy with the adoption of some amendment at that point.

Mr. ROBINSON of Arkansas. Yes; I understand that perfectly.

Mr. BULKLEY. But the Senator's amendment goes too far.

Mr. ROBINSON of Arkansas. I call the attention of the Senator from Ohio to this language, which could be inserted:

*Provided, That this limitation shall not apply to livestock credit associations, agricultural credit corporations, Federal or joint-stock land banks.*

Mr. WALSH of Montana. Mr. President, I should have no objection at all to that. I used the language of the bill itself as found at the bottom of page 20—"agricultural or livestock credit corporations." I merely except those as they



are enumerated in the act. However, let me inquire of the Senator whether the relief of the land banks would not be more appropriate in the legislation which we are presently to consider for the relief of the Federal land banks.

Mr. ROBINSON of Arkansas. I do not know, of course, whether the amendment that I am suggesting will be adopted on some other bill or not; I have no assurance of that. It was suggested to the committee and the committee did not report it, and I am taking a chance just as the Senator from Montana is. It might be that the amendment he has in mind would better be incorporated in the land bank bill.

Mr. BLAINE and Mr. COUZENS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON of Arkansas. I yield first to the Senator from Wisconsin.

Mr. BLAINE. I merely wish to suggest to the Senator that the committee expressly excluded joint-stock land banks from the bill.

Mr. ROBINSON of Arkansas. Yes.

Mr. BLAINE. They acted expressly against the inclusion of those land banks.

Mr. ROBINSON of Arkansas. Yes. Mr. President, I shall ask for a record vote on my amendment.

Mr. COUZENS and Mr. STEIWER addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON of Arkansas. I yield to the Senator from Michigan, who first rose.

Mr. COUZENS. Mr. President, I want to say, as a member of the committee, speaking for myself only, that, as I understand, the intent of the committee when it put in this provision was that it was not intended that this corporation should finance new undertakings. For example, I am in receipt of a communication suggesting that this bill should incorporate a provision so that the New York Central Railroad, for example, might electrify its system and borrow \$150,000,000 for that purpose, and whereby under another proposal there might be built a fast motor highway out of funds to be advanced by this corporation. As I understand the intent of the committee, it was that no money should be provided by the proposed corporation to finance any new undertaking, such as new buildings, new construction, new enterprises. If the Senator from Arkansas can devise language which will exclude new undertakings and cover the purposes which he has in mind, I think there will be less objection to his amendment.

Mr. STEIWER. Mr. President, will the Senator from Arkansas yield to me?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. ROBINSON of Arkansas. Certainly.

Mr. STEIWER. I should like to make a suggestion upon the point which has been raised. It seems to me that there is some confusion in some minds with respect to the provisions beginning in section 5, which limits or defines the purposes for which loans may be made, and the language which the Senator from Arkansas seeks to change, which does not in terms limit the associations or define the borrowers, but defines the purposes for which the loans may be made. It seems to me that the purpose of the Senator from Arkansas is a very wise one, and I am wondering if he can not accomplish that purpose merely by specifying in the bill at the beginning of section 5 all of those agencies to which he thinks loans ought to be made, and then, at the place where he is now offering his amendment, merely by exception excluding them, so that the limitation on new operations would not extend to those agricultural groups but would extend only to the other groups to which the Senator from Michigan just now referred in his illustration. It occurs to me if we will separate in our consideration the agency to which we are making the loans from the purpose of the loans as defined at the bottom of page 22 that we can relieve this situation very readily.

Mr. ROBINSON of Arkansas. I have not any doubt that under the provisions of this bill loans may be made to agricultural credit corporations and to the other classes of associations that have been mentioned here. I think the Senator from Ohio agrees to that. But the purpose for which the loans must be made is limited to the refinancing of old debts, and that would not be adequate in the case of an agricultural credit corporation and some others; it might not be adequate in the case of the other classes of associations to which reference has been had. If it is generally acceptable, I will modify the amendment in line with the suggestion made by the Senator from Ohio [Mr. BUCKLEY], but I shall not withdraw it and take the chance of incorporating it in a bill from which the committee having jurisdiction of the bill deliberately excluded it.

Mr. BULKLEY. If the Senator will yield, I should like to say further that, speaking for myself and not for the committee, I am definitely in favor of such an exception as the Senator has in mind to provide for the agricultural situation, and I do not recommend to the Senator that he wait for the farm loan bill. I would like to see such a provision put on this bill, but what I am anxious to avoid is opening the whole thing up to every sort of promotion that may be undertaken.

Mr. ROBINSON of Arkansas. If I may have the attention of the Senator from Connecticut [Mr. WALKOTT], the Senator from Michigan [Mr. COUZENS], and the Senator from Montana [Mr. WALSH], I will ask leave for the present to withdraw the amendment that has been under discussion and propose a new amendment in the nature of a substitute for the former amendment by inserting, on line 7, page 22, after the word "act," the following language:

*Provided, That the foregoing limitation shall not apply to agricultural or livestock credit associations, or Federal or joint-stock land banks.*

Mr. FLETCHER. Mr. President, may I say to the Senator from Arkansas that I think the language he has just proposed is preferable to the other proposition, and I hope that it may be accepted, because it seems to cover the whole ground.

Mr. THOMAS of Idaho. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. ROBINSON of Arkansas. I yield.

Mr. THOMAS of Idaho. I wish to say to the Senator from Arkansas that I think the amendment he has now suggested would take care of the situation. In the Western States we have been getting along and have been feeding our livestock; but we have now several million sheep out in the snow and we have several hundred thousand cattle to feed, and unless something is done at this time our banking facilities will break down and we will be called upon to relieve real distress. The amendment now proposed will avoid that by taking care of the situation. Simply to renew old notes for a stockman will not do him any good. It is necessary to furnish feed for that livestock every day during the winter. The amendment now proposed, as I understand it, will take care of that situation.

The VICE PRESIDENT. Does the Senator from Arkansas withdraw his former amendment?

Mr. ROBINSON of Arkansas. Oh, yes; I have already done that.

Mr. BULKLEY. May we have the amendment stated again?

The VICE PRESIDENT. The amendment to the amendment will be restated.

The CHIEF CLERK. On page 22, line 7, after the word "act," it is proposed to insert the following:

*Provided, That the foregoing limitation shall not apply to agricultural or livestock credit corporations or Federal or joint-stock land banks.*

Mr. BULKLEY. Mr. President, I should like to suggest to the Senator to insert there the words "loans made to," so that the limitation shall not apply to loans made to such organizations as are suggested.



Mr. ROBINSON of Arkansas. Let the amendment be stated again.

The VICE PRESIDENT. The amendment to the amendment will be restated.

The Chief Clerk read as follows:

*Provided, That the foregoing limitation shall not apply to agricultural or livestock credit—*

Mr. ROBINSON of Arkansas. Yes; I think that suggestion is a good one—"shall not apply to loans made to," and so forth.

The VICE PRESIDENT. That modification will be made. The question now is upon agreeing to the amendment, as modified, to the amendment of the committee.

Mr. WALCOTT. Mr. President, I personally am in favor of accepting that language as it now reads. I see no objection to it. I think I have made it perfectly clear how the committee felt, and the reason for these lines. I think I also appreciate the necessity for making the modification, and I accept it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. SHIPSTEAD. Mr. President—

The VICE PRESIDENT. The Senator from Minnesota. If the Senator from Minnesota does not desire to address himself to this amendment, may the question be put on it first?

Mr. SHIPSTEAD. I desire to ask the Senator from Connecticut a question before the amendment of the Senator from Arkansas is adopted.

The VICE PRESIDENT. The Senator will give his attention.

Mr. SHIPSTEAD. Is it the understanding of the Senator from Connecticut that the benefits, whatever they may be, of this corporation are limited solely to enterprises which have extended banking credit prior to the adoption of this act? Is it the intention to limit them to loans already made, with the exception provided by the amendment of the Senator from Arkansas?

Mr. WALCOTT. I think not; because on page 21 you find, after the broad provisions in section 5:

All such loans shall be fully and adequately secured in such manner as the corporation shall require.

I think that takes care of everything, and gives the board enough leeway to do any legitimate commercial lending.

Mr. SHIPSTEAD. Then I should like to ask the Senator from Arkansas a question. The Senator made the statement some time ago on the floor that he thought the provision he has referred to, beginning on line 2, page 22, with the word "except," down to the period in line 7, was inconsistent with an amendment that was adopted at my suggestion some time ago. Does the Senator still believe that with his amendment this provision is still inconsistent?

Mr. ROBINSON of Arkansas. The Senator must have misunderstood me. I expressed no opinion as to the inconsistency of my amendment with any amendment of his own.

Mr. SHIPSTEAD. I realize that; but I understood the Senator to say that this provision that he has just amended—not his amendment, but the provision that he amended—was inconsistent with the amendment of the Senator from Minnesota.

Mr. ROBINSON of Arkansas. I think I did say that the amendment of the Senator from Minnesota would require modification of that provision; but I should say that the amendment of the Senator from Minnesota, having been adopted, accomplishes the modification that is implied in its language.

Mr. SHIPSTEAD. I thank the Senator.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas, as modified.

The amendment, as modified, was agreed to.

Mr. REED. Mr. President, on page 29, line 6, after the word "taxation," I move to amend by inserting, in parenthesis, the words "(except estate and inheritance taxes)."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Pennsylvania to the amendment of the committee.

Mr. BROOKHART. Mr. President, should not the word "gifts" also be inserted there?

Mr. REED. There is no such thing as a gift tax in the States that I know of. There certainly is no Federal gift tax.

Mr. BROOKHART. There was in the 1924 law. Was not that included in the 1926 law?

Mr. REED. No; that has been repealed.

Mr. BROOKHART. There is no gift tax?

Mr. REED. There is no gift tax at all.

Mr. BLAINE. Mr. President, may the amendment be stated?

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 29, line 6, after the word "taxation," it is proposed to insert "(except estate and inheritance taxes)," so that it will read:

Any and all obligations issued by the corporation shall be exempt both as to principal and interest from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States.

Mr. REED. The words should be in parenthesis, Mr. President.

Mr. WALSH of Montana. Mr. President, I think serious consideration ought to be given to the suggestion of the Senator from Iowa that gift taxes should be included. It by no means follows because there is no gift tax now that there may not be. Indeed, it is not at all unlikely that at this session of the Congress the gift tax imposed by the act of 1924, or something similar, may be restored. Otherwise, the purpose of those who desire to restore the gift tax might easily be circumvented by liberal investments in bonds of this corporation.

I suggest to the Senator, in view of the possibility, that it might be very proper to put in that language.

Mr. REED. Mr. President, I recognize that the suggestion of a gift tax will be urged at this session, in all likelihood. I hope it will not be urged successfully, because I think the experience with the 1924 act proved that it is not a successful tax. Nevertheless, we can debate that when we come to that question; and I see no objection to the suggestion of putting gift taxes in here. So I will withdraw the amendment that I offered and make it read "(except estate, inheritance, and gift taxes)."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. REED. Mr. President, I have one more amendment which I think also is a matter of substance. I am going to move to strike out all of section 5a, and the reason for doing so is that it seems to me to be wholly inconsistent with the whole plan of the bill.

The Senate knows that the intention of the bill is to furnish relief to the country generally through its banking system; that is to say, to furnish relief to banks which have made loans to various types of industries; and the only provision for direct loans outside of section 5a is for loans to railroads, about which we have the fullest sort of information readily obtainable by this finance corporation.

In section 5a appears a provision designed to facilitate our export trade. Of course, that is praiseworthy enough in itself, but note how it will work out. If an American exporter sends a shipment of his goods to Siam, let us say, or to Germany, or to any distant foreign country, under this section he would draw a bill of exchange upon the vendee of those goods. He would take that bill of exchange to this corporation, whose duty it would be to discount it, and obviously they would do so upon the credit of the purchaser.

A bank doing a foreign business is in a position to buy those acceptances only because it has correspondents abroad upon whom it can rely for information of the credit of the drawee of that bill of exchange; but this corporation has



no such establishment. It has no agents abroad, and it ought not to be compelled to establish any. From the standpoint of bringing immediate relief to industry this would be useless, because it would take many months to establish such an organization of dependable people in foreign countries from whom the corporation could get information about the soundness of the drawees of these bills of exchange.

It seems to me, therefore, that it would put the corporation into the banking business in the most undesirable way. It would put it into foreign banking, actually making loans which are as much for the benefit of citizens of foreign countries as they are for the benefit of American citizens.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. REED. I yield to the Senator.

Mr. COPELAND. The Senator recognizes that there is that great difficulty in our transactions with relation to export business. The competition of the British and the Germans and others makes it extremely difficult for our people to operate successfully.

Mr. REED. Yes.

Mr. COPELAND. I was not a member of the committee, but I read the hearings carefully and I was much impressed by what was said in the hearings regarding the importance of having some sort of machinery so that we might go ahead with this business.

When our banks were active and had money which they could use, they could do these things, and did them; but now we have reached a situation where these exporters can not get the money for this purpose. It seemed to me as I read the bill, I may say to the Senator, that this was a conspicuous exception to the general rule, but a very desirable one. Can the Senator suggest any other way by which these export transactions may be carried on if this provision should be stricken from the bill?

Mr. REED. The Senator from Connecticut has just shown me an amendment that has been suggested to him that perhaps would realize what is in the mind of the Senator from New York. He suggests, or it is suggested by somebody, that we strike out, beginning in line 18, all of the balance of the paragraph, and put in this language in its place:

All drafts or other instruments accepted under this section shall be in terms payable in the United States in currency of the United States, and in addition to the export draft shall at all times be fully collateralized by American securities other than the security arising out of the original export transaction, or shall be guaranteed by an American bank or banker of undoubted solvency.

I think that would accomplish the same purpose.

Mr. COPELAND. I should be entirely satisfied with that.

Mr. REED. What I want to do is to place the responsibility for making the investigation of the drawee upon some bank or somebody else than this corporation.

Mr. COPELAND. That is entirely reasonable.

Mr. REED. Because it would take many months to set up an organization competent to do that. I am in full sympathy with what the Senator has in mind in trying to encourage export business.

Mr. COPELAND. I think that if the Senator will modify his amendment by the inclusion of the language read, the objection I would have would disappear at once.

The VICE PRESIDENT. Does the Senator modify his amendment?

Mr. FLETCHER. Mr. President, I understand the Senator's amendment proposes to strike out section 5a. Now he offers a language in lieu of that.

Mr. REED. I have not done so yet, but with one or two slight corrections in the language, I will offer it.

Mr. FLETCHER. When we get to it, I will deal with it. I do not accept any proposition of that sort, either to strike it out or to amend it. When the Senator has his amendment prepared, I propose to discuss it.

If the amendment as read by the Senator is offered by him in lieu of section 5a as it stands now, or as an amendment to section 5a, I think that will be entirely satisfactory, and might save all debate about it.

Mr. REED. That is what I propose to do. I withdraw my amendment now pending.

The VICE PRESIDENT. The Senator withdraws his amendment.

Mr. REED. I want to change the wording of this amendment very slightly before offering it, if that is acceptable to the Senator.

Mr. COPELAND. As I understand it, may I say to the Senator from Florida, the Senator from Pennsylvania does not take out all of section 5a under his arrangement now offered. He leaves in section 5a down to line 18.

Mr. FLETCHER. Yes.

Mr. COPELAND. He wipes out the rest of the paragraph and substitutes the language which he read, which, it would seem to me, would cover the matter we have in mind.

Mr. President, if I may have the attention of the Senator from Connecticut. Yesterday I asked him some questions relative to the insurance-company provision on page 20, when he assured us that that covers fire, life, casualty, guaranty companies, and so forth.

I should like to say this preliminary to asking two questions: Many of the mortgage companies throughout the country, as everybody knows, sold notes and bonds, and the money was used in financing homes of people of moderate circumstances, homes costing from \$5,000 to \$15,000. For instance, the National Surety Co. guaranteed the payment of the principal and interest on such notes and bonds.

Due to the depression and the decreased income of people who occupied those homes the borrowers were unable in thousands of cases to keep up their payments. Many of them had to give up title to their homes and many others had to have a refinancing arrangement made which would permit of smaller payments due to their decreased incomes. The income of the mortgage companies has been decreased, naturally, and institutions like the National Surety Co. have been called on to pay the interest on the notes and bonds held throughout the country in accordance with its agreement.

If the mortgage companies, whose assets are ample but frozen, are given the benefit of this bill, they will be permitted to continue loans, thus in turn being in a position to be more lenient with those who occupy the homes.

In the event that the Reconstruction Finance Corporation in the exercise of its broad powers regards the collateral as insufficient, then the National Surety Co. would secure the corporation by a surety bond. Of course, the bond would be a very safe kind of a guaranty. The business of every surety company doing business with the Government is under the strictest supervision of the Treasury Department and its financial condition is known to the Treasury Department from alpha to omega.

The reason for desiring loans direct to the mortgage companies is because they do not wish to put up an undue amount of collateral. With the tremendous decrease in the value of securities and the amount of collateral now up, they wish to avoid the necessity of using any more of these securities, because every time they use collateral for a loan it reduces the amount of business they are permitted to write by the Treasury Department.

May I ask, assuming that their assets are ample, would mortgage companies which finance the homes of people of small incomes, homes ranging in value from \$5,000 to \$15,000, be eligible to receive the benefits of the bill? I assume that they would, of course.

Mr. WALCOTT. I think so, provided they are construed as financial institutions.

Mr. COPELAND. The next question is, in the event that the corporation is of the opinion that its assets are not ample, would the corporation be authorized to accept a surety bond guaranteeing the payment of the loan when due?



I assume that it would, because I find this language on page 21—

Whose obligation, indorsement, or guaranty would add materially to the security of loans to it by the corporation.

So I assume that in a case like this, a guaranty bond, if acceptable to the corporation, would be eligible under the terms of the bill.

Mr. BLAINE. Mr. President—

The PRESIDING OFFICER (Mr. BRATTON in the chair). Does the Senator from New York yield to the Senator from Wisconsin?

Mr. COPELAND. I yield.

Mr. BLAINE. Let me suggest to the Senator that this bill provides that we must lend money to surety companies, casualty companies, liability companies, and so on. Why accept bonds as a substitute for cash and other good securities? Does not the Senator understand that the bill will take care of all these surety companies and casualty companies and bonding companies, and lend them money, and extend them credit? Why take their bonds?

Mr. COPELAND. I would expect, of course, that the corporation would use its sound business sense. But I want to know exactly what the language means. If they consider that the guaranty bond of such company were backed up with assets and collateral sufficient to justify it, I suppose they would accept this as additional credit.

Mr. BORAH. Mr. President, I have been listening to the discussion of this matter for two days. The able Senator from Connecticut [Mr. WALKOTT], who has charge of the bill, has been asked some 500 times, more or less, what the bill means. Of course, if anyone knows what it means, the Senator does. But in the last analysis, this bill is to be construed according to the language which is found in it.

Mr. COPELAND. I think it is very important that it should be plain, and, furthermore, that Senators thoroughly understand it, because this is a bill which we must defend when we go home.

Mr. BORAH. I have no intention of undertaking to do that. If I succeed in getting my consent to vote for it, I will be content to let the matter go its own way. If I vote for it, it will be solely because of the crisis before us and in the hope—I say hope—that it may possibly avert a still greater crisis.

Mr. COPELAND. The Senator could not be quite content if he gives his vote for it. He has to help sell these bonds, because we have not the money yet, after we pass the bill.

Mr. BORAH. What disturbs me is that this bill is being interpreted; there is being stated what some one thinks it means. Of course, unless the language bears out the interpretations it will be no protection to us that some one thought it meant thus and so while we were passing it.

Mr. COPELAND. No; but on page 21 is this language, referring to other financial institutions, "having substantial resources whose obligation, indorsement, or guaranty would add materially to the security of loans to it by the corporation," and so forth.

Mr. BORAH. Of course, what the bill does is to establish a financial dictatorship, and that language, together with the discretionary power of the board, would make it possible for them to do almost anything they wanted to do.

Mr. COPELAND. I think that is true.

Mr. BORAH. So what we are doing here really is giving to this board a wide discretion to construe language, necessarily broad and to some extent ambiguous.

Mr. COPELAND. My purpose is to try to find out what was in the minds of the committee as to how wide that discretion is. Does the Senator think it is too wide?

Mr. BORAH. The committee which reported this bill is an exceedingly able committee, but it has, nevertheless, given such wide discretion to this board that the board alone will make the construction, and the interpretation which we put upon language here will not control at all.

Mr. COPELAND. No; but this is a reasonable question.

Mr. BORAH. That is true; I concede that.

Mr. COPELAND. The board is authorized to accept the guaranty. What I want to know is this: If that guaranty

took the form of a mortgage bond from some solvent institution, would it be acceptable or not to the board, in the opinion of the committee?

Mr. GLASS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. GLASS. How may we use more definite phrasing than this, if we are going to depend upon the banking instinct and the judgment of this corporation? The Senate can not tell whether any explicit application for a loan is properly secured or not. The Senate itself, without investigation in each individual case, can not possibly tell whether the corporation or the institution seeking the loan has substantial resources.

Mr. BORAH. I agree entirely with the Senator.

Mr. GLASS. We are setting up, as the Senator from Idaho says, a czaristic financial corporation, and practically, with the possible exception of a few limitations, we are giving it almost unlimited power. The Senate can not attend to these matters in detail. This corporation must determine whether an applying institution has a substantial right to the credit. The Senate can not determine that. If we go on in this way, all of them will fail before we pass a remedial measure.

Mr. COPELAND. Mr. President, I submit that if the Senators framing a law have no conception as to what it means, then certainly no board could determine what should be done.

What I want to know, I say once more, is this: Does the chairman of the committee believe that if a financial institution seeking a loan had not collateral of its own which was satisfactory, but was backed up by the guaranty bond of some other solvent institution, that would be acceptable for the purpose of the loan?

Mr. WALKOTT. Mr. President, in my opinion that would not contravene the language of the bill, but it would still entirely depend on the judgment of the board of directors as to whether bonds which are offered are adequate collateral to fully secure the loans.

Mr. COPELAND. Assuming that they are, and that the corporation discovers that the institution writing the bond is a reliable institution, would they be acceptable?

Mr. WALKOTT. I think that if the bonds which are brought in to back a loan as collateral are entirely adequate fully to secure that loan, the language of the bill provides that the corporation may accept such security.

Mr. COPELAND. I thank the Senator.

Mr. REED. Mr. President, if I may add my answer to that, I should have no doubt that such a bond could be and would be accepted as full and adequate security.

Mr. COPELAND. I agree with the Senator, of course, but I was desirous of knowing whether the committee had given thought to that, and whether or not it would be acceptable, as the Senator from Pennsylvania said.

Mr. REED. Mr. President, I move the following amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 23, line 18, to strike out the following: "No acceptances shall be made," and so forth, down to and including the word "act," in line 7, on page 24, and substitute therefor the following:

All drafts and bills of exchange accepted under this section shall be in terms payable in the United States, in currency of the United States, and in addition to the draft or bill of exchange shall at all times be fully secured by American securities deposited as collateral or shall be guaranteed by an American bank or trust company of undoubted solvency.

Mr. REED. I have submitted this to the Senator in charge of the bill and to the Senator from Florida [Mr. FLETCHER], who is very much interested. I understand it is satisfactory to both of them.

Mr. COPELAND. Are we to understand that the Senator proposes to insert new language at line 18?

Mr. REED. Yes. Strike out everything, beginning in line 18, down to the end of the paragraph, and insert new language in its place.



Mr. TRAMMELL. Mr. President, I desire to make an inquiry with reference to the amendment of the Senator from Pennsylvania. In his comment previously made he criticized the idea of the corporation being allowed to make advances on account of not having the necessary machinery set up for that purpose except upon inquiry and investigation.

Mr. REED. That is correct.

Mr. TRAMMELL. Is not the amendment proposed by the Senator subject to the same criticism?

Mr. REED. No; because the draft has American collateral, or else it has the guaranty of an American bank. In the first case no investigation is necessary of the credit of the foreign buyer, and in the second case the investigation is made by the bank which gives the guaranty. The Finance Corporation is absolved from the necessity of making inquiries abroad. I think it would obviate the objection in that way.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Pennsylvania.

Mr. BLAINE. Mr. President, may we have the amendment again stated?

The PRESIDING OFFICER. The amendment will be stated again.

The Chief Clerk again stated the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. SMITH and Mr. BULKLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. SMITH. Does the Senator from Ohio desire to offer an amendment?

Mr. BULKLEY. Yes.

Mr. SMITH. I prefer to have the bill as nearly perfected as possible before I discuss an amendment which I desire to offer. I yield, therefore, to enable the Senator from Ohio to offer his amendment.

Mr. BULKLEY. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 27, after line 19, insert the following:

Such obligations shall not be eligible for discount or purchase by any Federal reserve bank.

Mr. BULKLEY. Mr. President, there has been no doubt about the intention of the committee that the obligations of the Reconstruction Finance Corporation should not be eligible for purchase or rediscount by Federal reserve banks. There has been a good deal of argument as to the best way to make that intention effective in the bill. The bill as reported provided for an amendment to the Federal reserve act to accomplish the purpose which is intended by the amendment which I am now proposing.

After consultation to-day with members of the committee and with the secretary of the Federal Reserve Board, we have reached the conclusion that the simplest and best way to accomplish the purpose is by the amendment which I have sent to the desk. If that amendment is adopted, I am going to propose another amendment to strike out all the rest of the section on page 27 and all that has not already been stricken out on page 28, which is the alternative method of accomplishing the same end.

Mr. FLETCHER. Mr. President, may we have the amendment again stated?

The PRESIDING OFFICER. The amendment will be again stated.

The Chief Clerk again stated the amendment.

Mr. GLASS. Mr. President, I may say to the Senate that that simply does in a sentence what was proposed to be done in two pages.

Mr. BLAINE. Mr. President, I made inquiry of the Senator from Connecticut [Mr. WALCOTT] yesterday respecting two proposed amendments to the Federal reserve act. I

understand that this amendment has the same effect as though the two amendments to the Federal reserve act proposed were made.

Mr. BULKLEY. We had a rather long argument and discussion as to just how this purpose could be best accomplished. I feel that the amendment which has now been offered will accomplish in a simple and direct and clearly understandable way what was intended to be accomplished by the two paragraphs, the first beginning in line 20, page 27, and the other in line 10, page 28.

Mr. BLAINE. Then, if those two sections of the committee bill be stricken out, the reconstruction bonds or any notes, drafts, or bills of exchange secured or collateralized by these reconstruction bonds are not eligible for rediscount?

Mr. BULKLEY. I understand they would not be.

Mr. BLAINE. That is my understanding. Am I correct?

Mr. BULKLEY. The Senator is correct.

Mr. BLAINE. The Federal reserve notes could not be issued against that character of security?

Mr. BULKLEY. No; they could not.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. BUCKLEY. I offer the following amendment, which I send to the desk.

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. Strike out, on page 27, lines 20 to 25, both inclusive, and on page 28, lines 1 to 19, both inclusive, in the following language:

Section 13 of the Federal reserve act is hereby amended by adding after the words: "Any Federal reserve bank may make advances to its member banks on their promissory notes for a period not exceeding 15 days at rates to be established by such Federal reserve banks, subject to the review and determination of the Federal Reserve Board, provided such promissory notes are secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this act or by the deposit or pledge of bonds or notes of the United States" the words "but no reconstruction bonds issued under the act of 1932, entitled 'An act to provide emergency financing facilities for banks and other financial institutions and other purposes,' shall be used as such security."

Section 13a of the Federal reserve act is amended by adding after the words: "Provided, That notes, drafts, and bills of exchange with maturities in excess of six months shall not be eligible as a basis for the issuance of Federal reserve notes unless secured by warehouse receipts or other such negotiable documents conveying and securing title to readily marketable staple agricultural products or by chattel mortgage upon livestock which is being fattened for market" the words "nor shall notes, drafts, and bills of exchange secured or collateralized by reconstruction bonds be so eligible."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. BRATTON. Mr. President, I offer the following amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 20, line 23, after the first comma, insert the following: "to any reclamation or irrigation district, association, or corporation organized under the laws of any State or of the United States, or," so as to make the paragraph read:

Sec. 5. The corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this act as it may determine, to any reclamation or irrigation district, association, or corporation organized under the laws of any State or of the United States, or to any bank, saving bank, trust company, building and loan association, insurance company, agricultural or livestock credit corporation—

And so forth.

Mr. GLASS. Mr. President, it causes me great personal discomfort to have to oppose anything suggested by the Senator who presents this amendment. But it does seem to me an extraordinary thing, when we have appropriated half a billion dollars and confided it to the administration of the Farm Board to take care of the prevailing surplus, which has not been done, that now we are to make available



irrigation schemes to create a further surplus. I should dislike very much to see the amendment put on the bill.

Mr. BRATTON. Mr. President, I, too, am distressed very much when I am compelled to disagree with the Senator from Virginia. The very high regard in which I regard him causes me to feel that way, especially when we disagree on legislation of this character. This is an emergency measure designed to deal with an emergency situation. I realize perfectly well that it will be thought by the Senator from Virginia, and perhaps others, that the amendment departs from the major purpose and concept of the bill, yet the amendment is designed to aid industry in this country that is worthy of consideration. While it is intended here to stimulate railroad corporations and insurance companies and banking associations, we may well give some consideration to an industry a part of which forms the economic life of the West.

The amendment simply makes an industry of this character eligible for consideration under the terms of the bill. We have already adopted an amendment which makes State bonds eligible under the measure. By what process of reasoning can it be urged that that sort of an amendment should have been adopted and that a reclamation corporation organized under a State law should be precluded?

Mr. GLASS. I may respond to my friend right there by saying there is no reason why, but there is very great reason why we should reconsider the action of this body in making State bonds eligible for loans from this corporation. With all due respect to other Senators, it seems to me that we are making ourselves ridiculous to talk about organizing a corporation here with \$2,000,000,000 to make loans to the 48 States on their bonded indebtedness. I intend to move to reconsider that proposition.

Mr. BRATTON. Very well. I shall not quarrel with my friend from Virginia about that. I think it is worthy of consideration. That sort of industrial activity in this country is on a par with banks and railroad companies and others which are specified in the bill. It is proposed to take \$500,000,000 out of the Treasury supposedly to stimulate and vitalize industry in the country. The amendment speaks for itself. What I may say will not add to it. I submit to the judgment of the Senate that the amendment to a measure of this kind, designed to accomplish the purposes which undergird the legislation, is relevant. It is not an undue departure from the scope of the legislation nor the purposes sought to be attained.

Mr. BORAH. Mr. President, I would like to have the amendment read again if the Senator has concluded.

The VICE PRESIDENT. Let the amendment be again reported for the information of the Senate.

The CHIEF CLERK. On page 20, line 23, after the word "determine," it is proposed to strike out the comma and to insert "to any reclamation or other irrigation district, association or corporation organized under the laws of any State or of the United States, or," so as to make the clause read:

Sec. 5. The corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this act as it may determine, to any reclamation or other irrigation district, association, or corporation organized under the laws of any State or of the United States, or to any bank, savings bank, trust company, building and loan association—

And so forth.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from New Mexico.

Mr. BROOKHART. Mr. President, I wish now to refer to the remarks of the Senator from Virginia [Mr. GLASS]. He has called attention to the fact that we have appropriated \$500,000,000 to handle agricultural surpluses and then he suggests that we are now making ourselves ridiculous. I want to call his attention to the fact that then was the time we made ourselves ridiculous instead of now. Agricultural surpluses amount to \$1,800,000,000 or to \$2,000,000,000 a year, and yet we merely appropriated \$500,000,000 to handle and finance them. The Senator from Virginia now objects to any further assistance to agriculture.

Mr. President, I do not think the Federal Farm Board has used the \$500,000,000 as it ought to have used it. It had about enough to handle cotton and wheat alone if it handled those commodities properly, but, in addition to handling surpluses as the law provided, it organized cooperatives, and the Farm Board used a large part of the appropriation for purposes of that kind. Instead of handling surpluses, the board has gambled in surpluses. The manager of the wheat corporation testified in the committee that he was general manager, first, of a Delaware corporation for stabilizing wheat prices, and at the same time he was general manager of another Delaware corporation, which was called the National Grain Co., for cooperative marketing both at home and abroad. He further testified that on the same day he was, with the money loaned him by the Farm Board, buying wheat on the Chicago Board of Trade for one of those corporations and selling it for the other.

So, Mr. President, I do not wish the Senate to get the impression that it has done its duty to agriculture by the appropriation of merely \$500,000,000. That appropriation was wholly inadequate to meet the problem.

The Senator from Virginia voted for the Esch-Cummins railroad law, and in that law he voted for a guaranty to the railroads of the United States of their war-time profits for six months after they had been turned back into private ownership.

Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Virginia?

Mr. BROOKHART. I yield.

Mr. GLASS. I will say to the Senator from Iowa that I was not a Member of the Senate, as I recall, when the Esch-Cummins bill was passed.

Mr. BROOKHART. As I remember, the Senator told me it was one of the first things he voted for when he came to the Senate. I had a conversation with him about it, as I recollect. If the Senator did not do so, I do not want to charge it against him, and we will correct it in the RECORD. I do not want to charge anybody with voting for that law unless it is absolutely true; but in that law, passed by Democratic votes, and more Republican votes, we guaranteed to the railroads of the United States their war-time profits for six months after they had been turned back into private ownership on the first day of March, 1920. When that six months' period ended, about two years after war was over, that guaranty went into the law, and then the railroads, by padding their accounts in the most outrageous manner ever known in the history of the world, made a deficit in that guaranty, and we wrote checks then on the Treasury for \$529,000,000 to pay that deficit, and we paid it.

I have never heard anybody come forward and argue that we have done enough for the railroads because of that transaction. Here we are now with another \$2,000,000,000 bill—\$2,000,000,000 more to be taken out of the Treasury of the United States—and the first thing we are to do with a part of that money is to make loans again to railroads. Then, after that, the Senator from Virginia, forgetting these facts, and forgetting this situation, comes up and denounces a little amendment that will protect some of these very needed agricultural projects in the West, some of which, as the Senator from New Mexico has truthfully said, are the very life of the West.

Mr. FESS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. BROOKHART. I yield.

Mr. FESS. Am I mistaken in assuming that the bill does give opportunity to assist farmers' associations and livestock associations?

Mr. BROOKHART. It does that, but does not propose to afford assistance to any reclamation project.

Mr. FESS. No. The point was this: The Senator from Virginia announced the view, for which I have very much sympathy, that any assistance that is designed to increase the surplus, which is the problem with which the farmers are struggling, is inconsistent.



For that reason, while I am very strongly in favor of the bill, including every feature which proposes to aid agriculture, I would not want to appropriate voluntarily more money out of the National Treasury to add further to the problem which we already face. Does not such a proposal strike the Senator as being somewhat inconsistent?

Mr. BROOKHART. I am very glad the Senator from Ohio asked that question, and now I want to answer it quite specifically. I want to call the attention of the Senator from New Mexico to my answer. The Senator from Virginia and the Senator from Ohio claim that aiding irrigation projects will increase the agricultural surplus and thus add to the difficulty which we are trying to obviate under the Federal Farm Board act. I have heard that argument, and have met it many times. The Chicago Tribune particularly has hauled me over the coals regularly about once a month for that same inconsistency. So I had an analysis made—and I am going to ask the Senator from New Mexico when I shall have stated it if it does not set forth the facts—of all the irrigation projects in the United States. From that analysis I found that every one of them developed a greater demand for agricultural products than it supplied. Those projects develop cities and communities which would not have existed but for reclamation and yet, while in some cases the commodities produced might have more than supplied the immediate needs, on the whole, the projects themselves created a market for other agricultural products in my section of the country and in Ohio, which is the home of the Senator who has just interrupted me.

Mr. BRATTON. Mr. President, let me say that I agree with the Senator. The products of irrigation projects do not come in competition with the heavy commodities produced in other States, especially in the eastern part of the country, and there is no overproduction in that broad sense created by those sparsely located reclamation projects in the West. So that it is wholly incorrect to say that the encouragement of reclamation projects adds to overproduction throughout the country.

Mr. BROOKHART. I think in New Mexico, California, and Arizona and other sections where they have irrigation, including southern Texas, most of the products are different from those produced elsewhere or they are produced at a different time of the year than the crops produced in the Middle West, so that instead of being in competition with us they are supplementary to and of assistance to us.

I wish the farmers in my section of the country had sufficient income so that they could buy and use some of these winter products of the southern sections. I do not believe they do because they have not the income that would justify that sort of living at this time. So, Mr. President, in conclusion I will say that I hope the amendment of the Senator from New Mexico will prevail.

Mr. TRAMMELL. Mr. President, I think the Senator from New Mexico has brought to the attention of the Senate a very important subject and has mentioned an enterprise which really needs some assistance. In my State we have reclamation by drainage. I know that some of the drainage districts are very much hampered for the want of funds due to the depression. They had no trouble in negotiating and securing ample means to carry on reclamation work or to maintain it while the country was more prosperous than at the present time. I should like very much to see this session of Congress write into some measure such a policy as that suggested by the amendment offered by the Senator from New Mexico. I would, of course, want it to be sufficiently broad so as to include reclamation not only by irrigation but by drainage.

In my State, as I have said, our projects are all drainage-reclamation projects, and heretofore we have never had any assistance in carrying on that great enterprise either in Florida or in any of the other Southern States.

I do not know just how far we should go in adopting an amendment to this bill; I do not know as to the wisdom of the adoption of an amendment of this character to the pending measure; but I do wish to indorse most heartily

the proposition presented by the Senator from New Mexico, and I hope that we will secure some legislation along this line at this session, if not on this particular measure.

Mr. FLETCHER. Mr. President, I suggest to my colleague, in view of what he has said with regard to this proposal, that he suggest an amendment to the amendment offered by the Senator from New Mexico by adding the words "drainage districts," so as to include them as well as irrigation districts.

Mr. TRAMMELL. Mr. President, at the suggestion of my colleague, I will propose an amendment to the amendment. I have conferred with the Senator from New Mexico. He thought drainage districts were included, but in order to make assurance doubly sure I propose an amendment to the amendment.

The VICE PRESIDENT. The Senator from Florida proposes an amendment to the amendment of the Senator from New Mexico.

Mr. BRATTON. I accept the amendment suggested by the Senator from Florida.

The VICE PRESIDENT. The Senator from New Mexico modifies his amendment. The question now is on agreeing to the amendment of the Senator from New Mexico as modified, which will be stated.

The CHIEF CLERK. On page 20, line 23, after the word "determine" and the comma, it is proposed to insert "to any reclamation, drainage, or irrigation district, association, or corporation organized under the laws of any State or of the United States or."

Mr. GLASS. Mr. President, I think it vastly more important to expedite the consideration and passage of the pending bill than to respond to the rather tart animadversions of the Senator from Iowa [Mr. BROOKHART] who has not any vision that extends 3 feet beyond the State limits of Iowa. He is always talking about the farmer, but his idea of relief to the farmer is relief exclusively for the corn and wheat growers of Iowa. He has never since he has been in the Senate voted for any measure designed to take care, for example, of the great orchard and fruit interests of the country, the output of which exceeds in value the combined crop of wheat and corn produced in all the States, not merely in Iowa alone. He has never voted anything on earth to relieve the dairy interests of this country, but has voted here to put impositions and burdens and harassments upon the dairy interests and to tax them. I might go on and enumerate other agricultural interests greater than those of Iowa to which the Senator has never given any attention at all.

So far as irrigation is concerned, there is in my State the great Dismal Swamp area that ought to be drained, but I am not here advocating the formation of some corporation and making its bonds available for loans at the hands of the proposed emergency Reconstruction Finance Corporation.

As I have said, I think it vastly more important to consider the general requirements involved in the speedy passage of this bill than to engage in this sort of criminations and recriminations.

I have not denounced the measure proposed by the Senator from New Mexico. I am incapable of denouncing anything that a Senator of such dignity and good sense would advocate. I have simply expressed the conviction that irrigation projects not more than many other projects that we might name should be included in this bill, and I hope they will not be.

Mr. BARKLEY. Mr. President, in many of the States we have drainage districts which are operating under State laws, in many cases against the wishes of the owners of the real estate involved, the creation of which resulted in the drainage of creeks and small streams and lakes and sloughs and various other bodies of water. Many of those bonds have defaulted, and they are, therefore, frozen.

Would there be any more reason for including the bonds of a drainage district or an irrigation district, simply because the Government of the United States authorized it,



than there would for the inclusion of defunct bonds upon which interest has not been paid and upon which amortizations have defaulted of drainage districts located all over the United States, organized under some State law, and revive their value on the stock or bond market by making them eligible for loans under this bill? And would there be any greater reason for even doing that than for reviving a lot of defunct railroad bonds that counties issued under a vote of the people years ago, in the hope that they might obtain, in the early history of our country, railroads many of which were not even built but which the people have been paying taxes upon for years and years in order to meet their obligations to some innocent bond buyer?

If we are going into the thawing-out of everything that is frozen in the world now, it seems to me we will destroy the very effect of this bill and make it wholly worthless to the interests that need emergency relief in the form which we propose.

Mr. GLASS. Mr. President, the Senator knows, because he participated in all of these deliberations, that what this bill is intended to do primarily is to arrest the deflation of the country and the consequent unemployment in the country. It was not intended to take care of new enterprises and of every conceivable defaulted enterprise. Unless we have that in mind, and expedite this general purpose, the institutions and the corporations and the industries that we propose to help will go into bankruptcy before they can be reached.

Mr. BROOKHART. Mr. President, I am really glad the Senator from Virginia [Mr. GLASS] brought up this question in his usual keen way. I should like to have him really read some of the things I have said and done in the Senate. I think this is the first time he has ever given them any attention. I do not think he really knows what I have said or what I have stood for, or why, or he would not come back at me in that way.

In the first place, I am an orchard farmer myself, and I am as keenly interested in orchard products and prices as he is, or as any orchard farmer can be.

In the next place, the Senator said my only interest was in corn and wheat. I am not a wheat farmer, and my State is not a wheat State. We are twentieth in wheat production. Virginia is away ahead of us. We could produce more wheat than any other State in the Union, but we prefer, of course, to produce corn and oats. We produce 475,000,000 bushels of corn, 300,000,000 bushels of oats, 2,000,000 calves, and 11,000,000 pigs; but we do not get enough for them to pay our expenses and taxes, and we have not since 1920.

So far as I am concerned, I am strongly for the bill that the Senator from Wisconsin [Mr. LA FOLLETTE] has offered here for the relief of labor. It is worth a hundred times, a thousand times, this bill we are working on now for the relief of railroads and the Wall Street banks. It is a real bill.

There are just about three things that would relieve this situation and relieve it right. One of them is the bill of the Senator from Wisconsin [Mr. LA FOLLETTE]. Another is a bill like that passed by the Democratic administration in 1919, after the war was over, on the 1st of March. That bill was recommended by Herbert Hoover, then by Democratic appointment the head of the Food Administration, and by his assistant, Julius H. Barnes, who is now the prosperity adviser for the President of the United States. If we could pass the La Follette bill, and if we could pass a farm bill like that which the Democratic administration passed—I am afraid the Senator from Virginia is not "listening in" on me.

Mr. GLASS. Yes, Mr. President; I heard everything the Senator said.

Mr. BROOKHART. This is not the kind of a bill that was—

Mr. GLASS. I know; but if the Senator will just let us pass this bill, we may come to the bill of the Senator from Wisconsin. The Senator is deferring action on that bill now.

Mr. NORRIS. But, Mr. President, if we pass this bill there will not be any money or taxing power left to pass any other bill.

Mr. BROOKHART. I think that answers the suggestion very well, so I believe we had better hold this bill off a little while to see how much money we really have.

I know the Senator from Virginia is not much more enthusiastic for this bill than I am. I know what he thinks about it, too. He is just going along with the committee because he does not want to stand in the way of this so-called "reorganization of prosperity," or whatever it may be. But here is what the Democratic administration did in 1919, after the war was over: I might go back to a little history in that regard.

Mr. Hoover had written President Wilson on the 10th day of July, 1917. He said, "England and France and Italy have combined together and appointed one buyer for all their wheat, for the whole three countries; and they have decided to bid \$1.50 a bushel for No. 1 northern, Chicago." They were the only bidder we had under those war conditions; and the farmers could not afford to produce wheat at \$1.50 a bushel in those war times. He pointed out that in 1916 the farmers got \$1.51 on an average for their wheat, and that the speculators sold it at \$3.25, and the price of flour was fixed on the basis of the \$3.25 figure, and that that speculation must be stopped. He said, "We must have a Government corporation with money enough and authority enough to buy in all of this wheat."

President Wilson got that law passed on the 10th of August, 1917. Four days later he appointed the Wheat Board. They proceeded right along when the Democrats were running these things, and 16 days later the Wheat Board completed its deliberations and fixed the price of wheat at \$2.20 a bushel, No. 1 northern, raising this foreign bid 70 cents a bushel; and Mr. Hoover bid that price for all the wheat that was offered the same day. He did not gamble in the market, as this Farm Board has been doing now; and the price went to that level, and the board of trade went out of business the same day. It never sold another bushel of wheat on futures while the Wheat Corporation lasted during the 1917, 1918, and 1919 crops.

Nineteen hundred and eighteen came along, and President Wilson said, "Bread will win the war; sow more wheat," and we sowed more. Mr. President, out in Iowa we sowed a good deal more. Eighteen million acres more were sowed in the whole country, and then the armistice was signed after that winter wheat was in, and then the war was over, and it was realized that we might not need that wheat.

That crop went through the winter in good condition; and in February Mr. Hoover and Mr. Barnes got scared about their ability to finance the crop with the funds provided by Congress. Congress had appropriated \$150,000,000, but with authority to borrow more if they needed it, and they needed \$385,000,000 more; and with that which they borrowed and with the \$150,000,000 they bought and held \$535,000,000 worth of wheat. I should like to have the Senator from Virginia make a special note of that point. The Democratic administration bought and held \$535,000,000 worth of wheat alone in the 1917 and 1918 crops.

They got scared about their ability to finance the big prospective crop in 1919. The farmers had sowed 18,000,000 acres more. The department was predicting a twelve hundred million bushel crop, when the average crop was only about 800,000,000 bushels. So Mr. Barnes then came before the House committee—and I have the report of that—and he recommended that Congress pass this Democratic bill that I am talking about now, in 1919, after the war was over. He recommended that we appropriate a billion dollars for wheat alone, a thousand million dollars; and then he recommended that if that was not enough they be authorized to borrow more money, so there would be no question about the ability of the Government to handle this surplus wheat. He also recommended an export and import embargo power, and he recommended that this corporation have power to deal in foodstuffs, foreign or domestic, at home or abroad, anywhere



in the world, that they have power to license the dealers and the millers and the elevators, and that they have control of the exchanges.

All of that was recommended and all of it was passed in that Democratic bill on the 1st of March, 1919. Then the crop came along. It was not good. There was a low yield—968,000,000 bushels when they were expecting 1,200,000,000 bushels—but that was still more than the average crop of 800,000,000 bushels; and Mr. Barnes then bought 138,000,000 bushels at \$2.26 a bushel. They had put on 6 cents more in the meantime for the railroads, because they did not neglect the railroads anywhere in this picture, and that maintained the price; and then the price went higher, and finally they sold this surplus wheat for \$59,000,000 of profit, turned it into the Treasury of the United States, and it is there to-day.

I say to the Senator from Virginia that if we can get back on that old Democratic platform of 1919, if we can pass Senator LA FOLLETTE's bill for the relief of labor, and if we can pass a farm bill like that and take care of cotton and of corn and of oats and of wheat and of livestock products, we can bring back prosperity to this country at once, and it will be a genuine prosperity from the bottom up, and not a prosperity hanging down, suspended in the air, like this bill here at this time.

That is what I have stood for. I have not at any time stood for a discrimination against any agricultural product. I have stood as firmly for the products of the South as I have for those of the West. I have looked upon the rights of the farmers in the East just the same as the rights of the farmers of the South and the West, and I have spoken to the farmers of New York and of New England, too—yes; in the State where Senator Moses can not elect a standpatter any more. [Laughter.] I find these farmers everywhere just like the farmers of Iowa. I have spoken to the farmers of Virginia. I have spoken to the University of Virginia itself at Charlottesville, where Thomas Jefferson lived and founded that great institution; and everywhere I have met the same response.

The trouble is that a lot of Senators have not found out what is going on in their own States and in the farms of their own communities. The farmers of Virginia are coming across the line now; they were in my office yesterday to talk to me, because they said the junior Senator over there was not enough interested in this farm problem. I think it is time that even the Senator from Virginia should get interested in this farm problem. It is the basic industry of this country. A third of the people of this country are directly interested in it, and perhaps 45 per cent of them get their living from it.

Mr. President, I am not ashamed to put agriculture first, but I am ashamed to see the Congress of the United States come in on a bill like this and lay down to a bunch of Wall Street financiers, who brought us to this condition, who put us into this depression, who ruined agriculture in 1920 and have kept it down ever since, and now come in with a cooked-up bill, in which nobody believes, when we get down to plain talk. This bill is not for the relief of agriculture, which has been down since 1920. That bill is first for the relief of the railroads, which, as shown in the rate case just finished, still have a net income of 2.24 per cent upon the value fixed by the commission, and that value has \$7,000,000,000 of water at this time.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROOKHART. I yield.

Mr. WHEELER. The Senator said something about the Wall Street bankers favoring this bill. What evidence has he of that fact?

Mr. BROOKHART. I have some information on that proposition. I know a little bit about what has been happening here. I know how Barney Baruch came down and rounded up the Democrats and told them that unless this bill passed before Monday we would have a blow up in the Wall Street country; that the Democrats must get busy and put it right through. Then I know how Mitchell and Lamont came down and rounded up the Republican statesmen, the standpatters. They did not get any of us Repub-

licans. They told us the same story. There is no politics in that Wall Street outfit, no politics at all. They are absolutely nonpartisan all the time.

Mr. WHEELER. Mr. President, referring to what the Senator says with reference to these Wall Street bankers favoring this bill, I notice that most of those who are advocating the passage of the bill are the same Senators who have stood on the floor of the Senate opposing any bill which would tend to put the Government into business, as they have said. The thing I am worried about in regard to this bill is this: Though Mr. Mitchell and Mr. Lamont are for it, I am afraid that if it is enacted it will destroy their "rugged individualism." As a matter of fact, Senators have stood on the floor of the Senate time in and time out talking about the Government going into business, and stating that if it did, and we did something for the farmers, and did something for the laborers, what a terrible thing it would be, because of the fact that it would destroy the "rugged individualism" of the farmers and of the laborers. So, Mr. President, I am worried for fear that if this bill shall be passed, it will destroy the "rugged individualism" of the railroads of the country and of the bankers of the country, and of all these little businesses, which, the Senator from Virginia has just told us, would absolutely go into bankruptcy if it was not passed. I can not believe that the Senator from Virginia is correct, that all of the great business interests of this country are going to be destroyed, are going into bankruptcy, unless the Government of the United States goes into business and actually comes to their rescue and lends them money. I just do not believe that this country is in that state, and I have not seen any evidence and have not heard any evidence on the floor of the Senate that would warrant the assertion which has been made that these great banks and these great business interests were going to be destroyed unless this bill were passed.

If information has been given to individual Senators privately to the effect that these big banks are going to be destroyed, if evidence has been imparted to some individual Senators to the effect that the railroads could not stay out of the hands of the receivers unless this bill were passed, then I think that every Member of the Senate is entitled to have that information.

Mr. BROOKHART. Mr. President, in the interrogatory he has propounded the Senator has raised a great fundamental question. Of course, this is a bolshevik bill, there is no doubt about that. It is putting the Government into business. The same big bankers who howl about putting the Government into business never hesitate to put it in for their own benefit. But a great Democrat is coming to the rescue to keep us from getting into business. I was reading a speech delivered by Governor Ritchie last night, in which he said:

I believe the collective wisdom of the American people is against our appalling extension of government into almost every field of private enterprise. The years of triumphant but self-serving and scandal-ridden Republicanism have been responsible for this, and for mobilizing 150 bureaus and endless commissions.

Mr. President, I think that if this distinguished Democratic candidate for President were here he would choke off some of the Democratic enthusiasm for the pending bill.

Mr. WHEELER. Mr. President, I thought the Senator was reading from a speech of President Hoover. From whose speech was he reading?

Mr. BROOKHART. I can not remember Hoover's speech.

Mr. NORRIS. There is no difference.

Mr. BROOKHART. There is no difference between the speeches of standpatters, whether they come from this side or the other side. In fact, they are all the same and their battles are sham battles.

Mr. WHEELER. I thought the Senator was reading from a speech of President Hoover. Will he tell me from whose speech he was reading?

Mr. BROOKHART. This was a speech of Governor Ritchie delivered last night in the announcement of his candidacy for the Presidency of the United States. And here we are now putting the Government into the money-lending business clear up to the hilt.



Mr. President, I remember, when reading in the newspapers about the Bolsheviks of Russia going to the piece plan of paying their workers, how the Wall Street bankers all said they were abandoning their communism and adopting the methods of capitalism, recognizing the difference in men. But here are the great bankers of the United States and the great railroads of the United States abandoning the capitalistic system and going over to communism, and everybody on both sides of the aisle enthusiastic for it and afraid that if we do not pass this communistic measure at once the country will go to the bow wows. Perhaps it will. I think some of it ought to. I think that financial crowd which has kited stocks up in the air in New York ought to go to the bow wows.

I have listened with remarkable interest to the statement of facts surrounding this bill. What are the facts? What is it we know about this situation? Just one thing—that is, that we are in an awful fix. That is the only fact that has been presented to either the subcommittee or the full committee or to the Senate. Who has told the causes of this fix or where it came from? We have no facts before us.

Mr. President, I am going to read to the Senate an article about the causes of this situation, which states some of the facts which produced the condition, and which suggests something about the remedy.

#### WAGE CUTS AGGRAVATE DEPRESSION

W. R. Hearst

Several of the greatest corporations in the United States have cut the salaries of their employees 10 per cent, and by so doing have contributed their utmost towards the aggravation of the depression and the accentuation of the injustice already inflicted upon the wage earners of the country and the elements dependent on the welfare of these workers.

The immediate cause for this cut in wages to workers is the present difficulty that the corporations have in paying dividends on their stock, but the actual and elemental cause is the issuance by these corporations of more stock than they are capable of paying dividends on.

It may be taken as an axiomatic fact that if corporations issue stock to the limit of their capacity to pay dividends upon in good times, they will not be able to pay dividends upon it in bad times.

Periods of inflation and depression alternate, and it is obvious that if you capitalize to the utmost on the crest of the wave of prosperity you will have to pass dividends on this watered stock in the trough of the wave of depression.

One of the fundamental causes of the present period of depression in the United States is overspeculation plus overcapitalization. A number of inexcusable and unpardonable evil practices have been perpetrated upon the community.

First, advantage was taken of the speculative complex on the part of the public to unload upon the community an enormous amount of utterly worthless so-called securities.

This was pure and simple swindling of the Ponzi variety, and the perpetrators of these frauds have not gone to jail as Ponzi did simply because they operated upon a scale large enough and impressive enough to be considered respectable, and, second, because many of these great firms have been engaged in the business of swindling the public long enough to have the sanctity of custom and convention behind them.

These worthless stocks have depreciated to practically no value at all, and the money of all the little speculators has been gathered into the pockets of the big promoters.

Another kind of inflation, while not criminal, is nevertheless entirely evil and wholly unjust, not only to the investing public but to the laboring masses. This evil practice consists of the overcapitalization of a legitimate business.

The extensive invention of labor-saving machinery has in the last few years greatly decreased the cost of production and increased the profits of enterprise.

It is quite clearly evident that some part of the advantage of labor-saving machinery should go to the consumer in reduced prices for products, and some part of the advantage should go to the wage earners in increased wages and shorter hours, and that under no standards of equity and national advantage should the capitalist class, meaning thereby the owners of enterprise and the employers of labor, absorb all the benefits of these increased profits.

But these owners and employers have not only absorbed practically all the benefits of increased profits created by labor-saving machinery and improvements in production, but they have devised a means of permanently depriving the working classes of their legitimate share in these benefits.

The method is to capitalize industry to the full extent of its increased profits. That is to say, if a business making 8 per cent has by labor-saving machinery and other improvements in production increased its profits to 25 per cent, this business, instead of allowing labor participation in the increased profits, proceeds to triple its capitalization and thereby to reduce profits

again to 8 per cent per share on account of the threefold stock issue.

Furthermore, if this high capitalization is made at a time of high prosperity, the dividends on that overcapitalization can not be paid adequately, if at all, in periods of depression.

As a consequence, not only has the workingman been deprived of his share of the benefits of modern methods and machinery, but if dividends are not maintained on the inflated securities, the investor is deprived of his just return on his investment.

Now comes the "last scene of all, that ends this strange eventful history." The overcapitalized stock depreciates and earnings decrease and finally dividends are passed.

And then the working people, who were not allowed to participate in the advantages of large earnings, are made to participate in the disadvantages due to overcapitalization and maladministration. So wages are cut, thus placing the whole burden of overspeculation, overcapitalization, maladministration, and the resultant depression on the already strained backs of an element which was in no way responsible for these evil conditions.

But not only does the working man suffer from this injustice but so do the shops where he spends his money and so do the factories from which the shops buy their goods to sell to the masses, and so do the farms and the mines which produce the raw materials to supply the factories.

And so do all the workers in shops and factories and mines and farms.

Mr. Swope, of the General Electric Co., has lately evolved a remedy for depression which remedies nothing. It is not a cure. It is at best a palliative. It does not assume to prevent a calamity. It merely endeavors to minimize the evils of the calamity.

It merely informs you how you may suffer the least of discomfort and inconvenience when the Empire State Building falls upon you. It does not provide any effective means to prevent the Empire State Building from falling on you.

An ounce of prevention is worth a pound of palliative, especially when the palliative shrewdly contains added latitude, laxity, and license for the very corporations which are already responsible for many of the evils which created the depression to repeat the evils on a greater scale and precipitate another and greater depression.

Our fine American scientists who accomplished their historic triumph over yellow fever did not discover merely how to endure yellow fever, or even how eventually to recover from yellow fever after you once had it. They discovered how to prevent yellow fever.

What scientific finance must discover now is not merely how to endure depression and not merely how eventually to get over each depression by the loss of most of one's peace of mind and most of one's property, and by the payment of high taxes and the practice of severe economies.

The thing for scientific American finance to discover, and for scientific statesmanship to provide, is how to prevent depressions.

And that means how to prevent the plunder of the public through overspeculation and through overcapitalization.

I am sorry the Senator from Virginia [Mr. GLASS] has gone because in a moment I shall be up to his remedy for this situation.

And it means, too, a system to provide the working masses with proper participation in increased profits due to labor-saving machinery and modern methods.

And that means shorter hours as well as better wages for the workers.

And that means more joy of life for the masses of the people and greater consuming power in the community and greater prosperity for the shops and the factories and the mines and the farms.

It means a better and juster distribution of wealth, and a higher standard of living and more health and happiness for every human being in the Nation.

And the whole object of society and civilization is to accomplish just these benefits.

We do not want communism in this country, and, what is more, we do not intend to have it; but the way to prevent communism is to make capitalism perform its full duty to the public, and that is what scientific American finance and patriotic American statesmanship must proceed promptly to do.

That is a signed editorial by Mr. William Randolph Hearst on September 24, 1931.

Mr. President, as I said, I am very sorry that the Senator from Virginia could not sit out this seance, because he proposed the best remedy that has ever been proposed for this overcapitalization and overspeculation. He proposed it as an amendment to the tariff act. It was a simple little bill that provided a 5 per cent sales tax—and that is the only sales tax I favor—on all resales of stock in stock exchanges where the resale is made within 60 days of the date of purchase. It was that short and that simple. That little bill would first stop this overcapitalization and overspeculation, and it would next bring a considerable portion of legitimate revenue into the Treasury of the United States.

If we could have those three measures—the bill of the Senator from Wisconsin [Mr. LA FOLLETTE] for the relief of



labor, that old Democratic bill for the relief of agriculture, and Senator GLASS's own bill for striking down this monster of speculation in Wall Street—we would have done something for the American people, and we would have done something to end the depression. But instead, what are we doing? Here is this little bolshevik measure for the banks and for the railroads. What bank is going to buy a bushel of corn, or a pound of cotton, or a peck of apples? What railroad is going to employ any more labor as the result of this bill? No one can point out a single direct benefit to the two great elements that are in depression—the 7,000,000 men who are out of work and the six and a half million men on the farms who are being destroyed by the lowest prices in 40 years.

Mr. President, it is a commentary upon the statesmanship of the Senate and of the Congress that after this depression, brought on by these same speculating and financial elements that have ruined the country, we see this statesmanship back away from any efficient remedy and take up and force through a so-called remedy turning into the hands of the very men who brought this situation upon us, \$2,000,000,000 out of the Treasury of the United States to further fortify themselves and further fix themselves so they can create another inflation in the country that will be as certainly followed by a worse deflation than exists now.

Mr. President, I have on the wall a chart, a picture of American business for the last 50 years. It is represented by the dark line at the lower end of the chart. That chart was made by Col. Leonard P. Ayers, the statistician of big business in the United States, the statistician of the United States Army during the war. There is no doubt about his ability to make the chart. He is with the Cleveland Trust Co. now. Along the middle of the chart will be seen the semblance of a straight line. That represents the normal level of American business. When we are in inflation and speculation American business is above the line, and when we are in depression it is below the line.

If Senators will count the depressions below that line, they will find that in the last 50 years we have been in eight major depressions. At the end of the line is a part of the one in which we are now engaged. Then there are seven little depressions along there thrown in for good measure. If Senators will measure along that line they will find that during the last 50 years we spent nearly half our time either getting into or getting out of depressions, and not 30 minutes of the whole time was normal. We were either going into the sky of speculation and inflation or dropping down into the ocean of depression.

Up to 1920 agriculture got out of these depressions first and best. Agriculture brought other business out with its buying power and constantly good credit. During all the period up to 1920 agriculture was the best basis of credit in the United States. In 1920 something happened. A change came. We got a deflation out of the Federal reserve banking system of my dear friend from Virginia. It knocked agriculture down. There never was such a panic in farm prices in all the history of agriculture as that which followed the late days of 1920 and the early days of 1921, unless the present deflation in the last few months surpasses it. I have not been able to compare the two accurately yet.

The farmers got their land in the beginning for \$1.25 an acre, except what they got from the railroads. The railroads got the equivalent of four and one-half States as big as the State of Iowa. We have always been bona fide bolsheviks when it came to the railroads. We have always given them subsidies and assistance. The farmers had to pay \$10 or \$12 an acre for that railroad land. From those low prices land advanced up until 1920. It was a constantly advancing price throughout the entire Middle West. This kept the credit and buying power of agriculture up, and agriculture continued to buy, and brought other business back as its speculations and inflations had sent us down. But in 1920 land values turned backward, and they are going backward now. There has been more decrease in land values since the first of last year than in any like period since 1920.

I invite attention to another chart which shows how land values have gone down. That is a map of one township in

Iowa, Highland Township, in Wapello County. The president of the Farm Bureau testified that it was a typical township in Iowa. The dark-colored part of the plat shows the farms that have been foreclosed and transferred by foreclosure or settlement of foreclosure since 1920. The red-colored part shows the farms that are in distress now due to foreclosure on the 1st of March, when our farm loans are due. The lighter yellow-covered portion, a small fraction of that township, shows the other farms that have mortgages on them. The white part is the only part that was not mortgaged at all, though a banker in my office recently said he had taken a mortgage on an 80-acre farm in that white space since that plat was made for me a few days ago.

That means that 31 per cent of that township was foreclosed since 1920, and about 20 per cent more now in default. That township contains the best land in the world. It is a corn township, the best township in the county, in one of the best parts of the State. There is no land on the earth that produces better than that township. We have had a good crop every year on that identical land since 1920. That is only a sample of the whole State of Iowa.

What are we going to do to meet that situation? Pass a farm bill to help the Chase National Bank in New York! Pass a bill to make the Government loan to the New York Central Railroad or the Pennsylvania Railroad. They admit they had a return of 2.24 per cent. That was their showing in their 15 per cent rate case up to the first of last July. These farms not only have had no 2.24 per cent return since 1920, but three-fifths or perhaps more of their value has gone out in this deflation and depression.

Coming back to the general line of American business, because of this breaking down of farm prices agriculture has not been able to help other business get out of this depression, and that is why all our prophets, from the White House and Wall Street on down everywhere, keep saying that prosperity is just around the corner, and yet when we get around that corner there is no prosperity there.

Mr. GORE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Oklahoma?

Mr. BROOKHART. I yield.

Mr. GORE. Does the Senator from Iowa mean to tell the Senate and the country that prosperity is not "Hoovering" just around the corner?

Mr. BROOKHART. The Senator has me there. I can not figure that out.

I want Senators to look again at the upper part of the chart to which I have been inviting their attention. That is by Irving Fisher. It goes back to 1872. The farther chart to the left covers the same ground and is prepared by the Federal Reserve Board itself. I sent down and got that chart about the 15th of December. That shows the way industrial-stock values have ranged back to 1872.

From either of those plats—they are drawn on a different scale, but they tell the story quite well—it will be noticed that in 1914, just before the World War, stock values in this country reached a high level, 33 per cent above the level in 1904, 10 years previously. It was a big advance. Then the war came on.

The war being over, in 1921 the stock price levels were pretty nearly back to those of 1914. Then Wall Street obtained full control of the economic situation by controlling the credit of the country, by using the Federal reserve bank system for its private purposes, and, contrary, I know, entirely to the ideas of the Senator from Virginia, for I know he is as deeply offended by the use that has been made of that great system as I myself am. Beginning with 1921 Senators will notice from that plat what started. Then the levels of stock prices went to the sky.

In all the years from 1872 there was nothing like the stock inflation that occurred after the first war period of deflation. It was after that period, in 1920, that this gigantic rise occurred in stock prices.

The Federal reserve plat over here [indicating] shows the drop in stock values up to the 15th of December; that is about where values are to-day, although this bill has started



another boom that has covered the losses probably since the 15th of December.

Now, I desire Senators to notice what the larger plat discloses.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Nebraska?

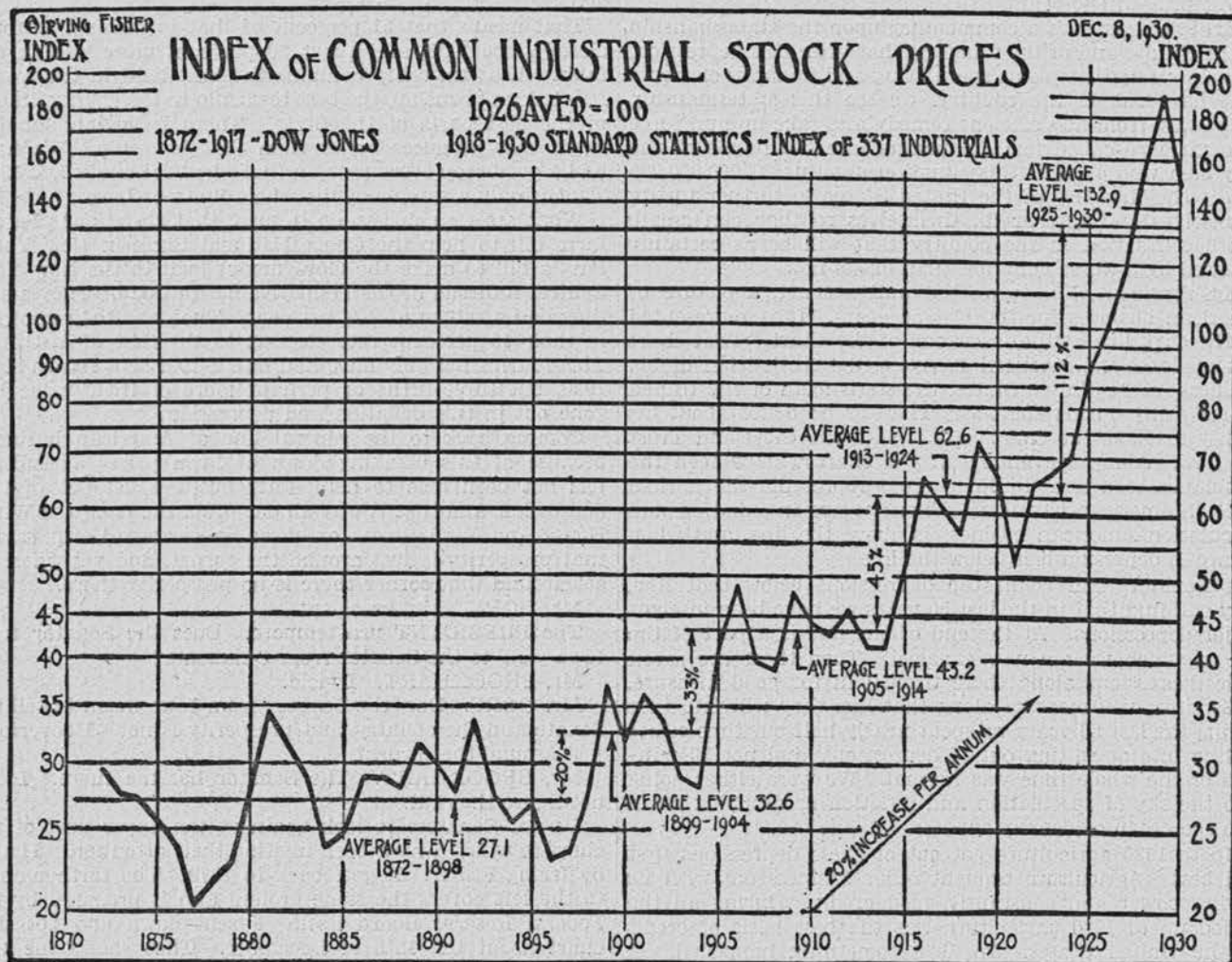
Mr. BROOKHART. I yield.

Mr. NORRIS. I desire to correct the Senator. The boom which he calls the boom of December 15 was the moratorium boom, which has nothing to do with the pending bill.

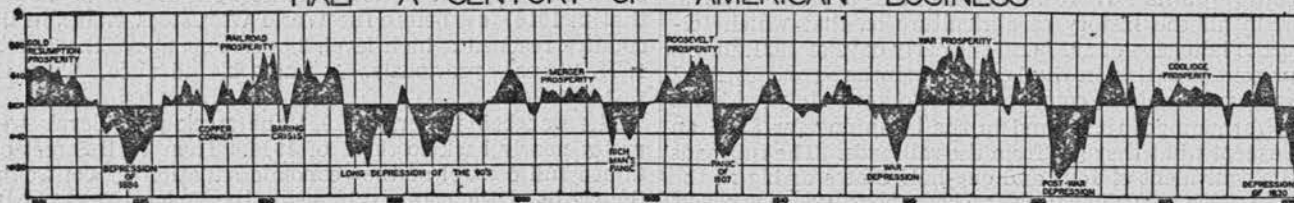
Mr. BROOKHART. Well, the moratorium had several booms. If I do not forget to do so, I will explain that a

the principal purpose of the bill, to check the stock decline, although the present level is 50 per cent above the 1914 level, and that was much too high. One-third of the present values ought to be squeezed out in order to get them down even to the high level of 1914, where commodity prices went long ago.

Mr. President, that is what the statesmanship of the United States Senate is now called upon to meet; that is what the nerve of the United States Senate is called upon to meet, and it has no nerve. It is lying down in the face of this situation and saying we will pass the bill, whatever it may be. The committee has not called in any farmers or considered the farm situation involving an industry com-



### HALF A CENTURY OF AMERICAN BUSINESS



little later; but I do not want to jump from this question back to the moratorium.

I have placed a star on Fisher's plat just before the 70, just opposite the level of war-time speculation. That is the level where stocks now are. They are not back to the 1914 level; they are back to the period of high speculation. That is where they stand at this moment on this chart from the Federal Reserve Board. They are 50 per cent or more above the 1914 level at this time. Yet with all that water and wind in them, even at this moment, we are proposing to pass a bill to give those stocks relief through loans to banks that are loaded up with stocks and bonds behind them. That is

prising one-third of the American people, formerly a third of American capital, but now less than one-seventh of American capital. It has not considered the 7,000,000 men who are unemployed and out of jobs, with nothing to do and nothing to eat. Other elements have not been considered. It has not considered that eminently practical and effective proposition of the Senator from Virginia himself, who would tax speculation out of existence by one of the most effective little bills ever introduced in the Congress.

Mr. President, I think this bill had better not pass. I think the Senate had better awaken and look this situation straight in the face. I think the Senate had better send the



Bernard Baruchs, the Mitchells, and the Lamonts back to their business to attend to its own business. If it will do those things, it will defeat this bolshevik bill, which is in the interest of Wall Street, and pass a real bolshevik bill in the interest of the people of the United States.

I ask unanimous consent that the plat prepared by Mr. Fisher and the Cleveland Trust Co. plat may be inserted in the RECORD. The plat was once before printed, and is available, I think, at the Printing Office.

The PRESIDENT pro tempore. That is not a matter for unanimous consent; but it may be done by the Joint Committee on Printing and will be attended to.

Mr. BROOKHART. Very well.

Mr. McNARY. I ask unanimous consent that when the Senate shall have concluded its session to-day it recess until 12 o'clock to-morrow.

The PRESIDENT pro tempore. Is there objection?

Mr. BLAINE. I ask the Senator to withhold the request until I may offer an amendment.

Mr. McNARY. I am merely asking that when the Senate shall conclude its business to-day it recess until to-morrow; I am not asking that the Senate take a recess at this time.

Mr. ROBINSON of Arkansas. Mr. President, the suggestion has been made by some Senators that perhaps the Senate should adjourn over to-morrow so as to afford the Members on this side of the Chamber an opportunity of attending a political meeting of importance to be held in the city of Washington to-morrow. It is the concurrence of opinion on this side, in view of the stage of the pending legislation, that no such action should be taken. I therefore concur in the request of the Senator from Oregon.

Mr. McNARY. I am very happy to hear the remarks made by the able Senator from Arkansas. I believe the same sentiment is held practically unanimously on this side of the Chamber.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon? The Chair hears none, and the unanimous-consent agreement is entered into.

Mr. MORRISON. Mr. President, those who object to the pending measure seem to base their objection largely upon the ground that the bill is in the interest of Wall Street and of certain vicious financial elements. The bill by its terms carries its benefits, whatever they may be—

To any bank, savings bank, trust company, building and loan association, insurance company, agricultural or livestock credit corporation, or other bona fide financial institution in the United States having substantial resources whose obligation, indorsement, or guaranty would add materially to the security of loans to it by the corporation \* \* \* including any closed bank whose assets are inadequate to permit of restoration to solvency.

Mr. BROOKHART. Mr. President—

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. MORRISON. I yield.

Mr. BROOKHART. I call the Senator's attention to the fact that if he will examine the hearings he will find that most of the insurance companies and savings banks said they did not need this measure, and would not use it if passed. So that part of it may be eliminated as of any practical value.

Mr. MORRISON. I do not agree with the Senator from Iowa that the institutions named may be eliminated. They are within the provisions of the proposed law. The objection that the benefits of this measure may help certain evil financial institutions does not seem to me to be a sufficient reason to deprive the whole financial fabric of this Republic of its benefits.

The trouble with attacking groups is that there is not any group in which evil people may not be found, and there is not any group in which good people may not be found; and, in my opinion, the objection that, because this measure may be advocated in part by or carry some benefit to some financial institutions that have merited the disfavor of the people of the United States, it ought not to be enacted, is not well founded.

Mr. President, well nigh all financial institutions in this Republic are in distress because they have securities, most

of which are good, but under the restricted discount power of the regional banking system there is not anywhere they can go with their good securities, discount them, and receive money with which to proceed with their business.

Senators talk as if no benefit would flow from this bill to anybody except certain evil bankers in Wall Street. All the banks of the agricultural sections of this country are staggering to-day under a load of farm loans, most of which are good; in fact, I may say a higher percentage of them will be ultimately good and collectible than in the case of any other class of securities held by the banks of this country; yet they are not eligible for discount in the Federal reserve banking system, and there is not anywhere these banks, with this load they are carrying for the farmers of this Republic, can resort and find relief. This bill in its terms carries relief to all of them, and, in my humble opinion, there is much more benefit carried in it to the farmers and the dwellers in the villages and small towns of this Republic than is carried to anybody in Wall Street, because they need it less there than anywhere else.

Mr. President, in North Carolina and the other States of the South—and I am sure it is also true of many States of the West—we have very little collateral and very few loans of a type and character which can be used in the great Federal reserve banking system. Therefore, in this emergency this bill very wisely provides a temporary reservoir to which these banks, largely in difficulty because of accommodations extended by them to those engaged in agriculture, can resort for relief. I shall certainly not withhold my support of it either because it emanates from a Republican administration or because it may benefit somebody who has been practicing some deviltry in New York or somewhere else.

Mr. President, the Federal reserve system is a great system. It provides for the discount of certain specified notes and for business in process. It is a great system; but it not only does not provide for any other character of credit except those therein enumerated but the very superiority which it gives to credit of that character discredits all other credits, and makes it more difficult, without some additional legislation and some addition instrumentality in connection with our banking system, for the credit not embraced in the Federal reserve system to be employed by the banks without danger.

I want to say, in reply to the gentlemen who say this measure is in the interest of Wall Street, that I believe every financial institution in my State—most of them run by Democrats—is earnestly waiting for the enactment of this measure; and I want to express the hope that it will not be hampered even with meritorious propositions that can be enacted in other bills. I do hope that this measure will not be weakened even by good propositions like that of the Senator from New Mexico [Mr. BRATTON]; but that this measure, embodying the best thought of the statesmanship and business genius of this Republic, without regard to party, shall be enacted into law as speedily as possible, in order that every little financial institution in this Republic with good securities may have a place to resort for the credit which it so sorely needs.

Why, Mr. President, well-nigh all the solvent financial institutions in the agricultural sections of this country are afraid to go forward with their ordinary business, making ordinary loans, because if their depositors wanted their money there is not any place anywhere to which they could go, even with State bonds, and get rediscounts or loans upon their securities as collateral to relieve their difficulties. All the good banks, the solvent ones, are practically out of business so far as accommodating the people goes; and I was struck with the remark of the great authority upon these matters, the Senator from Virginia [Mr. GLASS] about loaning States money. There is not any provision in here to loan any State money; but where a bank has State bonds as a part of its collateral, while it can not use them at the Federal reserve system for the purposes of discount, there is some provision under which that bank can take good collateral like State bonds and go and get temporary relief.



I say that the benefits of this measure will go into every community in this Republic and bless peculiarly and particularly the great agricultural sections of this country; and I think it is a pity that the measure was not enacted in a special session of this Congress a year ago. If it had been, I am satisfied there would be no such prostration throughout this Republic as there is to-day.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New Mexico [Mr. BRATTON] to the amendment of the committee.

Mr. REED. May the amendment be stated?

The PRESIDENT pro tempore. The amendment to the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 20, line 23, after the first comma, insert:

To any reclamation, drainage, or irrigation district, association, or corporation organized under the laws of any State of the United States, or

Mr. BRATTON. Mr. President, I inquire of the Senator from Oregon at what time he expects to take a recess.

Mr. McNARY. Mr. President, I was on my feet to suggest that proposition, if there is to be a record vote on this amendment.

Mr. BRATTON. I should prefer to have this amendment go over until to-morrow.

Mr. McNARY. Very well.

Mr. McNARY obtained the floor.

Mr. LA FOLLETTE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Wisconsin?

Mr. McNARY. I yield.

Mr. LA FOLLETTE. I desire to propose a unanimous-consent request: That Senate bill No. 1 be printed in such a way as to indicate the amendments which have thus far been adopted, so that in the further consideration of the bill we may have the advantage of having before us the amendments which thus far have been agreed to.

Mr. WATSON. Mr. President, I shall have no objection to that, provided the print can be made to-night. If it can not be made to-night, I think we had better not delay the consideration of the measure.

Mr. LA FOLLETTE. I am not asking that the consideration of the bill shall be deferred; but, if the order can be entered, if it is possible to furnish it by to-morrow it can be furnished; and if not, if the bill has not been disposed of before that time, it can be furnished on Monday.

The PRESIDENT pro tempore. The Chair is of the opinion that the print may be made to-night.

Mr. WALCOTT. I have made some inquiries, and I find that the bill can be reprinted to-night; and I heartily approve the suggestion of the Senator from Wisconsin.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and the order is entered.

Mr. ASHURST. Mr. President—

Mr. McNARY. I yield to the Senator from Arizona.

Mr. ASHURST. I offer the amendment which I send to the desk, and ask that it be read and printed.

The PRESIDENT pro tempore. The amendment will be read, printed, and lie on the table.

The LEGISLATIVE CLERK. On page 23, line 8, after the word "section," it is proposed to add a new paragraph, as follows:

Further, within the foregoing limitations of this section, the corporation may also make loans to or aid in the temporary financing of any person who is a citizen of the United States, when in the opinion of the board of directors of the corporation such citizen is unable to obtain funds upon reasonable terms through banking channels or from the general public, and whose prospective earning power or income, together with the character and value of the security offered by such person are such as to furnish adequate assurance of his ability to repay such loan within the time fixed therefor and to meet his other obligations in connection therewith.

Mr. ASHURST. Mr. President, so many Senators have stigmatized the bill as purely a corporation, Wall Street bill, that I offer an amendment which proposes that any citizen of the United States who has security of indubitable value—

security that will easily repay the amount he seeks to borrow—may obtain relief under this bill.

Mr. BLAINE. Mr. President—

Mr. McNARY. I yield to the Senator from Wisconsin.

Mr. BLAINE. I offer an amendment, which I ask to have printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. THOMAS of Oklahoma. Mr. President—

Mr. McNARY. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. I desire to propose an amendment fixing the salaries of the commissioners under this bill. I ask that it be read, printed, and lie upon the table.

The PRESIDENT pro tempore. Without objection, the clerk will read the amendment, which will be printed and lie upon the table.

The LEGISLATIVE CLERK. On page 18, line 21, after the word "salaries," strike out the balance of said line and insert "in like amounts drawn by Members of Congress per annum, each, payable monthly;"

Also, on page 19, line 3, strike out the figures and words as follows "12,000 per annum," and insert "the amount provided herein."

Mr. COSTIGAN. I offer an amendment, which I ask to have printed and lie upon the table.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie upon the table.

#### THE MONETARY QUESTION

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the three major farm organizations, passed yesterday, on the monetary question.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### SOUND MONETARY PROGRAM DEMANDED BY AMERICAN AGRICULTURE

At the joint meeting of officers of the three national farm organizations—the National Grange, the American Farm Bureau Federation, and the Farmers Educational and Cooperative Union—empowered to act for 2,000,000 farm members in 48 States, who in turn represent 15,000,000 farm population, a monetary program for the United States, prepared in collaboration with outstanding monetary authorities, was demanded of the President, the Federal reserve system, and Congress. The meeting took place at 630 Indiana Avenue.

As a result of this demand a caucus of 100 Congressmen has been called, and at this meeting on Saturday morning at the Capitol, presided over by Congressman HENRY B. STEAGALL, chairman of the Banking and Currency Committee, these demands will be finally presented. E. A. O'Neal, president of the American Farm Bureau Federation; L. J. Taber, master of the National Grange; and John A. Simpson, president of the Farmers Union, were in attendance at the meeting, together with other leaders of the three organizations.

The demands are based on the fact that deflation of prices and the general contraction of credit have gone to disastrous lengths and that credit contraction must be stopped and credit expansion inaugurated. To accomplish these objectives the joint groups representing their constituencies demand an active Federal reserve liberal open-market policy designed to produce these results. Such purchases, the resolution states, will expand credit, creating excess reserves for the member banks. It will firm prices of commodities and securities, will develop markets for secondary bonds, will restore hoarded currency to the banks, and through the general restoration of confidence will help bring about the return of normal business and employment.

"A stable price level is paramount to prosperity. We can not exist with rubber money and iron debts. The drastic sudden decline in the level of commodity and property prices has been a wicked spiral of deflation, selling, hoarding, bank failures, contracted credit, unemployment, and misery. It is producing disastrous conditions among all groups of the population—agriculture, labor, industry, and capital.

"The Federal reserve system has failed in the purpose for which it was founded—to act as stabilizer in just such situations as this. By its own words it is taking a passive policy when the most disinterested and most expert opinion is urging the contrary.

"The Glass report recently issued asserts that credit expansion to be normal must be 4 per cent a year \* \* \* and nothing is done about it."

The statement said that the farm groups would actively engage in using all the weapons a democracy permits in translating their thoughts into concrete action on the part of responsible government.



The resolution reads:

"We the authorized representatives of the three national farm groups in meeting assembled . . . the American Farm Bureau Federation, the National Grange, the Farmers' Union—

"Believing that the general contraction of credit and the deflation of prices of commodities and property have gone to disastrous lengths;

"Believing further that the United States does not have to wait on Europe for a solution of its problems;

"Believing further that the United States recovery can take place by recourse only to the soundest monetary plans;

"Believing further that the United States depression will not cure itself, but that deliberate action must be taken by its leaders;

"Request of the President, the Federal reserve system, and of Congress—

"That the Federal reserve system stop credit contraction and deflation and inaugurate credit expansion to affect the price level favorably by such liberal open-market operations as will bring about this result. This is demanded so that credit contraction, bank failures, hoarding, and the other disastrous results of deflation may be halted and that the whole trend of economic affairs may be turned. Such action, in the opinion of the soundest economists is necessary and will be effective in stopping the fall of prices, hoarding, in restoring normal values, and bringing the return of normal business and employment. Unless such action is initiated we believe that even such measures as the reconstruction corporation are doomed to failure, for with continued contraction of credit on the part of the banking system they can not be successful.

"That in addition to these demands for immediate action consideration be given to the readjustment of the entire banking and fiscal policies and structures of the United States, to the end that they may function in accord with present-day knowledge and needs and the Constitution of the United States."

This statement was signed by L. J. Taber for the National Grange; E. A. O'Neal, for the American Farm Bureau Federation; and John A. Simpson, for the Farmers' Union.

At the same time as this statement was issued it was pointed out that the joint conference of farm organization representatives was considering other important matters of interest to these groups, and having to do with legislation now before Congress and to be presented before Congress, including amendments to the Federal marketing act, rural credits, taxation, Philippine independence, and tariff.

Among those present at the joint conference of the three national farm groups were: L. J. Taber, Ohio; E. A. O'Neal, Illinois; A. S. Goss, Washington; W. H. Settle, Indiana; C. R. White, New York; F. J. Freestone, New York; Charles E. Hearst, Iowa; R. W. Blackburn, California; E. A. Eckert, Illinois; George M. Putnam, New Hampshire; L. E. Freudenthal, New Mexico; John A. Simpson, Oklahoma; Chester H. Gray, Washington, D. C.

JACKSON DAY ADDRESS BY SENATOR WALSH OF MASSACHUSETTS

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD an instructive and interesting address on the Democratic opportunity by the senior Senator from Massachusetts [Mr. WALSH] at the Jackson Day banquet held in Baltimore, Mr., Thursday evening, January 7.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are on the threshold of a new era in the affairs of business and finance and in the affairs of government. We have had the greatest deflation of property values this country has ever known, whether the property be stocks and bonds or commodities or lands. With it we have witnessed an equally drastic deflation of the ruling political party.

The Republican Party in the short space of three years has experienced a perpendicular decline from fat prosperity and power to the very brink of bankruptcy. Its diminished and disillusioned stockholders, after the fashion of a creditors' committee, are casting about for new capital in the shape of issues and ideas, for new management, and for new sales methods. Whatever else results from the present business and political debacle, recent events have forever annihilated the myth that the Republican Party is the promoter and guarantor of good times.

It is possible to trace the origin of many of our present difficulties directly to Republican preachments, omissions, and policies; to frenzied finance and the orgy of speculation upon which those in authority in our Government bestowed a blessing; to unsound and discriminatory Republican tariff and taxation rates. But it is not necessary to debate the events which preceded and the causes which precipitated the business debacle. The Republican Party is being turned out of office now not as much for its glaring mistakes and misdeeds before the panic as for its incapacities, its false promises, and its failures in dealing with the ensuing crisis.

It is not my purpose on this occasion to deal with the shortcomings and the blunders of the administration. It is poor sportsmanship to hit a man when he is down, and poor citizenship in such critical times as these merely to assail those in high places.

Nor is it my purpose to discuss the campaign we are now entering upon, except as it bears upon the future of the Democratic Party in the long range. Our party is on the threshold of the greatest opportunity in its history. It has already come into a position of large responsibility in Congress. In little more than

another 12 months, unless all signs fail, it will succeed to complete responsibility for the conduct of our Government.

If we are so shortsighted and so shallow as to think only of winning the election this year, then so widespread is the Republican revolt, so hostile to the present administration are the great army of independent voters, that I am inclined to believe that we may win with almost any candidate and almost any platform. In that very fact lies our greatest danger. Surely we owe it to our country and to our party to place in office able and fearless and purposeful men, pledged to sound policies of government and competent to cope with the stupendous problems which will be the heritage of the succeeding administration.

Winning the presidential election this year is the least of our problems. It will be our job so to administer the affairs of Government that the Nation may once again enjoy peace and plenty at home, respect and good will abroad, and our citizens a new opportunity and a new birth of freedom.

At the moment we are engaged in dealing with emergency measures to meet a situation at home and abroad of the greatest gravity. The foreign-debt moratorium and the proposed cash and credit advances to the railroads and to the banking system—and through the banks to hard-pressed and individual borrowers—are dictated by the exigencies of the times, to avert complete financial collapse and to restore wavering public confidence in the integrity of our entire credit structure. What the Congress is now doing in a wholly nonpartisan and wholly patriotic manner is to avert fresh disaster, but the extent to which these measures will contribute to revival of business and trade, to the increasing of consumer demand and with it increased employment, is largely problematical and, in my judgment, somewhat exaggerated. It is as if, at the moment, we are engaged in fighting a great conflagration. When the fire is under control and extinguished the ruins remain and the rebuilding must be undertaken.

Thus, under the most favorable circumstances, the Democratic Party in the four years just ahead will be confronted with stupendous problems of government. It is a "reconstruction era" upon which we are soon to enter. Accordingly, as we legislate and administer wisely and successfully, or unwisely and unsuccessfully, so shall we stand or fall, not this year, but four years hence.

A Republican friend, in private conversation this week, discoursing gloomily on the present low estate of his party and conceding the virtual certainty of a Democratic landslide next November—made this significant observation and prophecy: "All our lives our stock argument has been that the Democratic Party was not competent to govern the Nation, that Democratic policies are unsound and its candidates for office inexperienced, or visionary, or radical, but now, at a most critical time, the Democrats are coming into full control of the National Government. What if it should turn out that they are competent to govern, that they can successfully guide the country out of the valley of despair in which we are now traveling? What happens to the Republican Party then? We have lost our biggest argument with the independent voter—and there are more independent voters to-day than there are Republican Party voters—we Republicans will be out of office not for 4 years, but for the next 20 years."

It is that thought which is uppermost in my own mind as we gather here to-night in the presence of many national Democratic leaders and the Democratic Governor of the valiant free State of Maryland, a man whose policies and record in public office give the lie to the Republican claim that the Democratic Party is not competent to wisely administer the affairs of government. It is the thought that we are soon to be put to the supreme test—the administration of the affairs of the entire Nation—and as we meet the test, so will our party destiny for the next two decades or longer be determined.

In legislating judiciously and administering wisely our domestic problems group themselves almost automatically into two major divisions.

In one division are the problems of Government finance and the relations between Government and business, foreign and domestic commerce, questions of national defense, and the like.

In the other major division are our social problems, the relations of the Government to individual welfare, problems of education, unemployment insurance, and national industrial planning, public health, old-age pensions, and, last, but not least, prohibition—which, in the final analysis, is principally a social problem.

The foremost task on the business side of the Government, with which we must courageously and successfully cope, is the business of balancing the Federal Budget. On the one hand, it is a question of Government economy, and, on the other hand, a question of Federal taxation. Closely allied with it is the tariff. "Economy in government" has been a Republican shibboleth—a catchword, but nothing else. "By your works shall ye be judged"—and Federal expenditures from Harding to Hoover have risen to unprecedented levels. Not emergency expenditures, of which we have so much at the moment, but expenditures embedded in the permanent fabric of the Government. The extravagant business and social era which we have now left behind was duplicated in all respects in the Federal Government under Republican control. It is without parallel in this or any country.

To-day, with our revenues cut in half and more almost overnight, the present administration seems to be unable to effect any appreciable retrenchment in the cost of Government. We must balance our Budget at all costs and at any sacrifice. That means drastic curtailment of Federal expenditures in many different



directions, together with such revision of our taxes as will procure greatly increased revenues.

To accomplish this will require a high order of sagacity and courage. The present session of Congress will make some progress toward a balanced Budget. We shall certainly make some immediate and emergency revision in the income-tax law and shall increase some present tax levies, and impose some additional taxes at once. But no balanced Budget is in sight yet. And none possible, so long as the affairs of the Government are administered through present Republican leadership.

Unless we decrease our expenditures and substantially increase our income the Treasury deficit, already so large as to be almost unmanageable, will soon attain proportions that will put the United States Government in the same financial jeopardy which England faced six months ago when there came a day when national bankruptcy stared the English Parliament in the face.

The Democratic taxation program should be one that will be just to all, to big business and to small business, a program that will recognize that all taxes are burdensome, for they lay a toll on all business and on all production of labor—and hence that taxes should be levied as lightly and as equitably as it is humanly possible to devise. I realize that that is easy to say and difficult to execute, but I am confident that the Democratic Party leadership is equal to the task.

On the vital question of tariff revision our party is making an excellent beginning in promptly presenting to the Congress a carefully defined plan for reshaping the administrative features of the tariff act as a prerequisite to later revision in tariff rates along lines of the minimum special favor and congressional logrolling, and the maximum of fair and accurate determination of rates to give to American industry the degree of protection to which it is legitimately entitled, and no more. It is intimated that the President intends to veto the Democratic tariff bill now before the House if it reaches him. If that be so, he poorly serves the interests of the country but well serves the fortunes of the Democratic Party.

Revision of our antitrust laws is another vital and troublesome question with which we must deal constructively. We are suffering little to-day from monopolies as such. We are suffering from overproduction; and in the case of our basic industries, such as coal, oil, and lumber, ruinous competition. Yet we can not relax the safeguards of the antitrust laws to permit restriction of output and pooling and price fixing without substituting some new safeguard against profiteering and extortion.

These subjects of budget and taxes and tariffs and trusts are only the most immediate and challenging, as I view it, in the complex relations between public business and private business. Certainly we can not expect private business to move forward until we restore confidence in Government and reestablish public business on a sound basis.

The social problems confronting us are equally tremendous, but in the main they are the problems of the community and the State rather than those of the Federal Government. The vast expansion of the activities of the Federal Government in local and personal and social concerns which accompanied the adoption of the eighteenth amendment, and which has been the outstanding phenomenon of the past 12 years of Republican rule, is progress in the wrong direction. We must do a right-about face—and under Democratic leadership we will do so. The Federal Government must retrench rather than further expand in the fields of welfare work and in the regulation of social habits, education, and the home. These problems are of vital concern to our welfare; they are the concern of every right-spirited citizen, but they are not the concern of the Federal Government unless we are prepared to embark on a Federal system of paternalism repugnant to our whole theory of the separation of the State and Federal functions.

It has been well said that prohibition is a social question rather than a political question. So, indeed, it is. Prohibition, to be sure, has corrupted the Government, broken down our courts, encouraged racketeering and lawlessness, overcrowded our jails, deprived the State and Nation of a potent source of tax revenue, and required heavy outlays of public funds in wholly abortive efforts at enforcement. These misfortunes, great as they are, are as nothing in comparison with the demoralizing consequences to our citizens and officials in their relationship to and respect for law and constituted authority.

The prohibition question ought not to be a party issue. But no party will long survive which fails to come to grips with the prohibition question. It is an issue that has divided both parties. Both parties should be willing and all fair-minded persons, regardless of their personal convictions, ought to be willing to submit the question of repeal of the eighteenth amendment to popular referendum and agree to await the result, which will be, I feel confident, an overwhelming repudiation of national prohibition. Pitting a wet candidate against a dry candidate is not the way to hold a national referendum on prohibition. Vital as is this question, there are too many other grave questions in the life and affairs of our Nation to-day to warrant or permit determining the presidency primarily in terms of the eighteenth amendment. Everything our forebears have tolled for, sacrificed for, and accumulated is threatened by the present debacle in our political, industrial, cultural, and economic life.

I have said nothing to-night about unemployment. Yet unemployment, with its accompanying want and misery—more widespread than ever before in our history—is our most acute social problem. However, we must come to the realization that there is but one real remedy for unemployment, and that is employment.

Doles and charity alleviate suffering. They do not create jobs. Employment which will end unemployment depends upon infusing business without delay with that confidence that will revive it with new energy, and that in turn depends primarily and inevitably upon the strengthening of public and private credit, upon balanced budgets, and equitable taxes and tariffs. This is the governments' (National, State, and local) present job. When this has been accomplished—and every special election indicates that the Democratic Party is being commissioned by the country to accomplish it—then it will be our task in this reconstruction era ahead to work for a permanent state of social justice.

The vital measure of unemployment insurance which also demands prompt attention is illustrative of our many social problems. Yet with business and financial conditions most seriously maladjusted no unemployment insurance will be acceptable to industry or can be made effective immediately. We must first extend the financial relief which is most imperative if business and financial credit are to be placed on a stabilized basis and employment increased rather than further curtailed. Industry, not the Government, must accept the principal burden of unemployment insurance. In my opinion, it must be considered in connection with the extension of the employees' compensation laws of the several States. I repeat, the present heroic task is to stop further destructive economic crises. Social justice too long delayed must go forward with reconstruction plans.

Let not Democrats be content with merely holding the ground already won, with digging in and fighting for mere temporary triumph. We should lay hold on a new and truly ambitious and achievable program for the substantial betterment of economic conditions and our social life. We should retain in our thoughts not merely the fact that there is a great prize ahead, but that we have the determination and intelligence to win and hold it. I can not, perhaps, do better to help arouse you to real service to country and party than to quote, in closing, the lines of a great English poem by William Blake, made applicable to America:

"Bring me my bow of burning gold!  
Bring me my arrows of desire!  
Bring me my spear: O clouds, unfold!  
Bring me my chariot of fire!  
I will not cease from mental fight,  
Nor shall my sword sleep in my hand,  
Till we have built Jerusalem  
In [America's] green and pleasant land."

#### RELIEF OF UNEMPLOYMENT—LETTER OF GOVERNOR RUSSEL, OF GEORGIA

Mr. GEORGE. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter from the Hon. Richard B. Russell, jr., Governor of the State of Georgia. The letter has to do with the general condition now existing in the country, and particularly emphasizes the fact that relief to those who are most needy may be secured probably through a road-building program upon an extensive scale more than through any other measure that the Federal Government might be able to adopt.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF GEORGIA,  
EXECUTIVE OFFICE,  
Atlanta, January 6, 1932.

HON. WALTER F. GEORGE,  
United States Senate, Washington, D. C.

DEAR SENATOR GEORGE: For the past several weeks I have been undertaking to conduct a comprehensive survey of the State of Georgia in an effort to ascertain the effects of the present economic depression and to arrive at some idea as to ways and means whereby the State government might render some assistance in alleviating the suffering now being experienced by our people. Questionnaires were mailed to county commissioners or ordinaries of every county and the mayors of every municipality of the State. In addition to this I have conferred with representative citizens of every section on this trying problem and have also sought to receive the benefit of their thought.

As you are doubtless informed, Georgia, in common with the rest of the Nation, is passing through a most trying period. In the past we have experienced times of depression and financial stress, but I do not believe that our agricultural population has ever been faced with quite so serious a crisis. Cotton is selling far below the cost of production and there is practically no market for any other product of our farms. For over a hundred years our large population of tenant farmers and share croppers has been able to call upon the landlord to tide them over the bad years. The Georgia landlord inherited a feeling of responsibility toward his tenants and croppers from slavery days, and no class of creditors on earth has been as generous in advancing the means of a livelihood and assuming such hazardous risks as have the supply merchants and landlords of Georgia.

Unfortunately, however, the landlords and supply merchants of this State have reached the breaking point and are themselves unable to respond to the cry of these unfortunate ones who have nowhere else to turn for food and raiment during the winter. There are thousands of cases in Georgia where every article raised on the farm, as well as the livestock of the farmer and his tools,



has been insufficient to pay the mortgage or bill of sale rendered necessary to obtain funds with which to purchase fertilizer and make the 1931 crop. In addition to this, the severe drought which obtained in certain sections cut the food crops of the farmers below that required to sustain man and beast until another crop can be produced.

It is therefore apparent that there will be actual and unusual suffering among the poorer people of the State, and thousands of honest men, who are anxious and willing to work if afforded an opportunity, are likely to see their families suffer unless some immediate steps are taken to help remedy present conditions.

I grant that, on the whole, the citizens of Georgia are no worse off than in other sections of the Nation. In fact, conditions in certain sections are, perhaps, above the average for the United States, as we have some sections in which the people have made bountiful food crops, and, though they have little or no money, they will be able to take care of themselves for the time being. The most unusual feature of the present depression is the extraordinary condition prevailing in some of our rural sections which have been able to weather the various financial storms of the past.

At the present time the condition of the State treasury is such that it is next to impossible for the State government to embark upon any comprehensive undertaking to provide employment or afford relief for those who need it. Furthermore, there is a widespread feeling that the policies of our National Government are largely responsible for the present crisis and there is a general feeling that the National Government should evince some real interest in the plight of the average citizen of the Nation.

In the answers to practically every questionnaire the opinion was expressed that the most feasible and practical method of providing employment and making work is through a road-building program for the purpose of affording employment to unskilled labor. The State of Georgia taxes her citizens approximately \$14,000,000 a year for roads, and, in view of the present financial condition of the State and the limitations on securing immediate funds contained in our constitution, with which you are thoroughly familiar, it is impossible for the State to obtain any considerable amount of money for any employment program.

It is therefore my thought, and the opinion of everyone in Georgia with whom I come in contact, that one of the first efforts of the National Congress should be to provide a substantial fund for unemployment relief, to be distributed for the building of roads and highways in the Nation and that such funds should be expended so as to afford employment and a livelihood to the maximum number of citizens. While, of course, the greatest possible value for every dollar should be obtained, the expenditure of this fund should not be surrounded with useless conditions and red tape. So long as the money is honestly expended and reaches the hands and pockets of people who are ready to exchange honest work for a small amount of money it will accomplish its purpose.

It is my idea that in the expenditure of this money the use of machinery should be eliminated as much as possible in order to utilize and benefit the astounding number of unemployed, particularly farmers, who have no work to do during the winter season and who have no means of support for their families.

The National Government is carrying on a comprehensive building program in erecting public buildings. This is doing much to relieve the unemployment problem in cities and centers of population. In the main, however, this work can only give employment to skilled artisans, and does not benefit the man who is suffering most and who has the least hope of employment for the next 12 months—the tenant farmer whose landlord is bankrupt and who in many instances, like his tenant, is unable to buy shoes for his wife and children.

It is my opinion that if necessary it should be permissible to spend a part of the funds allotted for this purpose, say 25 per cent, on State roads which are feeders to the through Federal-aid roads. Some of the sections where the suffering is most acute are not available to Federal-aid roads.

I would not employ any of this fund in the nature of a dole or for extravagant waste. There are sections of Georgia now where day labor can be obtained at a very low figure and where the expenditure of a few thousand dollars on a road project of grading would carry many families through the winter without causing them to suffer any material privation.

I hope that you and the other members of the Georgia delegation will not rest nor desist from your efforts until this Congress has appropriated a substantial amount, not less than \$200,000,000 for the Nation, for this purpose and has provided that this money shall be spent in such a manner as will best serve the greatest number of the present unemployed.

I appreciate fully the need for economy in governmental affairs at this time, but to my mind the National Government could use its credit for no finer purpose than to render available immediately for road-building purposes such a sum of money, and it will benefit those who are suffering most and are in the greatest need. The deficit in the National Treasury is staggering, and the need for reduction in the expense of conducting the National Government is paramount; but if our Government is able to grant moratoriums to foreign countries, special privileges to vested interests (through the medium of the tariff), and make sure the expenditure of vast sums in the future for the protection of the railroads and to relieve the frozen assets of banks it can certainly afford to spend a paltry two or three hundred million dollars to provide for the immediate relief of the suffering poor of this Nation, who are unable to raise their voices or to protect themselves in this time of stress.

Not only will such expenditure give employment to thousands of those in need, revive their hopes and keep them from crime, singly or in dangerous combinations, but it will result in an investment of permanent value in the improvement of one important feature of modern transportation, our highways.

I fully believe that I am safe in saying, and am conservative in the statement, that 90 per cent of the people of Georgia are heartily in favor of the National Congress immediately taking action along the line indicated in this letter. It is regarded as being of more immediate importance than any measure now before the Congress. I hope that you will be able to see your way clear to lend your valuable assistance in this direction.

With highest regards, I am sincerely yours,

RICHARD B. RUSSELL, Jr.

#### EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### REPORTS OF COMMITTEES

The PRESIDENT pro tempore. Reports of committees are in order.

Mr. McNARY, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the calendar.

Mr. REED, from the Committee on Military Affairs, reported favorably sundry nominations of general officers of the Army, which were placed on the calendar.

#### THE CALENDAR

The PRESIDENT pro tempore. If there be no further reports of committees, the calendar is in order.

#### POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. FESS. I ask unanimous consent that the nominations of postmasters be considered and confirmed en bloc.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the nominations of postmasters upon the calendar are confirmed en bloc. That completes the calendar.

The Senate resumed legislative session.

#### RECESS

Mr. McNARY. I move that the Senate carry out the unanimous-consent agreement and take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 4 o'clock and 42 minutes p. m.) the Senate, under the unanimous-consent order previously entered, took a recess until to-morrow, Saturday, January 9, 1932, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate January 8 (legislative day of January 7), 1932*

##### UNITED STATES CIRCUIT JUDGES

Charles C. Simons, of Michigan, to be United States circuit judge, sixth circuit, to succeed Arthur C. Denison, resigned.

Kenneth Mackintosh, of Washington, to be United States circuit judge, ninth circuit, to succeed Frank H. Rudkin, deceased.

##### UNITED STATES DISTRICT JUDGE

Charles G. Briggles, of Illinois, to be United States district judge, southern district of Illinois. (Additional position.)

##### UNITED STATES MARSHAL

Theodore W. Hukriede, of Missouri, to be United States marshal, eastern district of Missouri. (He is now serving in this position under an appointment which expires February 21, 1932.)



## APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

## TO QUARTERMASTER CORPS

First Lieut. Ewing Hill France, Infantry (detailed in Quartermaster Corps), with rank from May 6, 1929.

## TO FIELD ARTILLERY

Second Lieut. Arthur Layton Cobb, Infantry, with rank from June 14, 1927, effective June 10, 1932.

## PROMOTIONS IN THE REGULAR ARMY

*To be colonels*

Lieut. Col. Carl Henry Muller, Cavalry, from January 1, 1932.

Lieut. Col. Charles Burnett, Cavalry, from January 1, 1932.

Lieut. Col. Claude Ernest Brigham, Chemical Warfare Service, from January 1, 1932.

Lieut. Col. Walter Herbert Smith, Field Artillery, from January 1, 1932.

Lieut. Col. George Hathaway Baird, Cavalry, from January 1, 1932.

Lieut. Col. Frank Keller, Cavalry, from January 1, 1932.

*To be lieutenant colonels*

Maj. Albert Lawrence Loustalet, Coast Artillery Corps, from January 1, 1932.

Maj. Richard Donovan, Coast Artillery Corps, from January 1, 1932.

Maj. Robert Clive Rodgers, Cavalry, from January 1, 1932.

Maj. Homer Havron Slaughter, Infantry, from January 1, 1932.

Maj. Sanderford Jarman, Coast Artillery Corps, from January 1, 1932.

Maj. Clair Warren Baird, Coast Artillery Corps, from January 1, 1932.

Maj. Edward Willis Putney, Coast Artillery Corps, from January 1, 1932.

*To be majors*

Capt. Eugene Nelson Slappey, Infantry, from January 1, 1932.

Capt. Stephen Garrett Henry, Infantry, from January 1, 1932.

Capt. Harwood Christian Bowman, Field Artillery, from January 1, 1932.

Capt. Laurence Henry Hanley, Field Artillery, from January 1, 1932.

Capt. Rosenham Beam, Air Corps, from January 1, 1932.

Capt. Harry McCorry Henderson, Infantry, from January 1, 1932.

Capt. Robert Van Kleeck Harris, jr., Field Artillery, from January 1, 1932.

Capt. Pleas Blair Rogers, Infantry, from January 1, 1932.

Capt. Richard Grant Hunter, Field Artillery, from January 1, 1932.

Capt. Schaumburg McGehee, Field Artillery, from January 3, 1932.

*To be captains*

First Lieut. Bovey Mozart Hall, Infantry, from December 25, 1931.

First Lieut. Leonard Murphy, Infantry, from January 1, 1932.

First Lieut. Edgar Baldwin Heylman, Infantry, from January 1, 1932.

First Lieut. Thomas Welch Blackburn, Air Corps, from January 1, 1932.

First Lieut. Grover Cleveland Brandt, Infantry, from January 1, 1932.

First Lieut. Thomas Hayden Davies, Infantry, from January 1, 1932.

First Lieut. Lewis Andrus Day, Infantry, from January 1, 1932.

First Lieut. Claude Weaver Feagin, Cavalry, from January 1, 1932.

First Lieut. Harry Francis Hanson, Infantry, from January 1, 1932.

First Lieut. Lee Vyvian Harris, Field Artillery, from January 1, 1932.

First Lieut. Harry Anton Johnson, Air Corps, from January 1, 1932.

First Lieut. Bob Edward Nowland, Air Corps, from January 1, 1932.

First Lieut. Barney McKinney Giles, Air Corps, from January 1, 1932.

First Lieut. Roy Travis McLamore, Infantry, from January 1, 1932.

First Lieut. Bernard Joseph Tooher, Air Corps, from January 1, 1932.

First Lieut. Claude Edward Duncan, Air Corps, from January 1, 1932.

First Lieut. Albert Francis Hegenberger, Air Corps, from January 3, 1932.

First Lieut. Wendell Holzworth Brookley, Air Corps, from January 5, 1932.

First Lieut. Joseph Rudolph Wessely, Quartermaster Corps, from January 5, 1932.

*To be first lieutenants*

Second Lieut. Clair McKinley Conzelman, Coast Artillery Corps, from December 25, 1931.

Second Lieut. Samuel Pickens Collins, Field Artillery, from January 1, 1932.

Second Lieut. John Cline Strickler, Field Artillery, from January 1, 1932.

Second Lieut. Oscar James Levin, Coast Artillery Corps, from January 1, 1932.

Second Lieut. Edwin Howard Feather, Infantry, from January 1, 1932.

Second Lieut. Theodore Charles Wenzlaff, Cavalry, from January 1, 1932.

Second Lieut. William Jesse Deyo, jr., Infantry, from January 1, 1932.

Second Lieut. Benjamin Peter Heiser, Field Artillery, from January 1, 1932.

Second Lieut. John Lawrence Ryan, jr., Cavalry, from January 1, 1932.

Second Lieut. Egon Rowland Tausch, Cavalry, from January 1, 1932.

Second Lieut. Alexander Randolph Sewall, Field Artillery, from January 1, 1932.

Second Lieut. Prentice Edward Yeomans, Cavalry, from January 1, 1932.

Second Lieut. Paul Hamilton, Infantry, from January 1, 1932.

Second Lieut. Charles Clifford Sloane, jr., Infantry, from January 1, 1932.

Second Lieut. Charles Winchell McGeehan, Coast Artillery Corps, from January 1, 1932.

Second Lieut. James Russell Wheaton, Field Artillery, from January 1, 1932.

Second Lieut. Basil Littleton Riggs, Cavalry, from January 1, 1932.

Second Lieut. Malcolm Hobson Harwell, Coast Artillery Corps, from January 1, 1932.

Second Lieut. Henry Raymond Baxter, Air Corps, from January 3, 1932.

Second Lieut. Roy Silverman, Infantry, from January 4, 1932.

Second Lieut. Tyler Calhoun, jr., Field Artillery, from January 5, 1932.

Second Lieut. Richard Hanson Grinder, Coast Artillery Corps, from January 5, 1932.

## DENTAL CORPS

*To be major*

Capt. Forest Vernon Bockey, Dental Corps, from January 6, 1932.

## CHAPLAINS

*To be chaplains with the rank of major*

Chaplain Thomas Joseph Lennan (captain), United States Army, from December 28, 1931.

Chaplain Claude Skene Harkey (captain), United States Army, from December 28, 1931.



APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY  
GENERAL OFFICER

*To be brigadier general, reserve.*

Brig. Gen. Thomas Stevens Hammond, Illinois National Guard, from January 8, 1932.

CONFIRMATIONS

*Executive nominations confirmed by the Senate January 8  
(legislative day of January 7), 1932*

POSTMASTERS

KANSAS

Frederick H. Dodd, Altoona.  
John G. Hyde, Beloit.  
James R. Galyon, Burden.  
Linnihan M. Kelleher, Burlingame.  
Claude W. Simpson, Cawker City.  
Elwood M. Jones, Council Grove.  
Alfred N. Parrish, Dunlap.  
Reuben H. Funk, Durham.  
James W. Way, Elmdale.  
Harry A. Osborn, Emporia.  
William L. Oliver, Erie.  
Delle Duncan, Esbon.  
David A. Nywall, Formoso.  
John F. Mitchell, Fort Dodge.  
Jessie I. Cramer, Galva.  
Edward M. Brown, Greensburg.  
Bessie M. Achenbach, Hardtner.  
Ferdinand Scharping, Hillsboro.  
Kirby L. Griffith, Kanopolis.  
Charles S. Smith, Lakin.  
John A. Bryan, Leoti.  
Harold R. Starbuck, Lincoln.  
Eben Carlsson, McPherson.  
John O. Rodgers, Mankato.  
William C. Loveless, Marion.  
Clarence L. Keith, Menlo.  
Josiah Foltz, Newton.  
Charles P. Stevenson, Oberlin.  
Herman F. Kiesow, Osage City.  
Karl O. Ranney, Osawatimie.  
Charlie Gray, Pretty Prairie.  
Leslie Fitts, Reading.  
Earl R. Ipson, Rolla.  
Albert E. Kerns, St. Marys.  
Guy E. Woodhouse, jr., Sharon Springs.  
Etta M. Hall, Solomon.  
Viola E. Stauffer, Valley Center.  
Mary O. Bittmann, Wamego.  
Charles E. Painter, Waverly.  
Clarence E. Swanson, Weskan.  
John F. Allen, Yates Center.

OHIO

George H. Metheany, Lima.

TEXAS

George W. Ragland, Abernathy.  
Lindsey C. Payton, Abilene.  
Roberta G. Sterrett, Albany.  
Edgar W. Burkett, Andrews.  
Mack M. Pittman, Annona.  
John R. Martin, Anson.  
Joel A. Reese, Ballinger.  
Fred A. Mansfield, Bandera.  
Frederick W. Guffy, Belton.  
Vina Johnson, Bertram.  
George J. Skarda, Bloomington.  
John K. Ford, Bogata.  
Flora G. Bowers, Borger.  
Jeptha G. Flato, Bovina.  
Pearl G. Boynton, Bronte.  
Charles S. Myers, Bryan.  
Sallie C. Milburn, Bryson.  
Ray C. Kelley, Caddo.

Hester Thomason, Centerville.  
Alfred A. Thomas, Chandler.  
John J. Crockett, Chapel Hill.  
Millard T. Jones, Chillicothe.  
Viola L. Harris, Christoval.  
Etta Varley, Collinsville.  
Claude H. Martin, Crane.  
Wilson I. Lawler, Deport.  
Frederick V. Blesse, Dilley.  
Wiley Fox, Dumas.  
Grady C. Edmonds, Elsa.  
Charles H. Cmajdalka, Fayetteville.  
Gladys Arnold, Forsan.  
Ferman Carpenter, Franklin.  
Charles W. Silliman, Ganado.  
James P. Hewitt, Giddings.  
Virgil G. Pritchett, Gladewater.  
Emma J. Cleveland, Grand Prairie.  
William I. Rodgers, Gunter.  
James M. Everett, Hedley.  
Lillie Brinkley, Howe.  
Walter S. Street, Humble.  
Charles F. Adams, Jacksonville.  
Helen M. Peel, Jourdanton.  
Annie D. Barker, Kilgore.  
James T. Davis, Kopperl.  
Nicholas C. Nail, Krum.  
Helen C. Wallace, Kyle.  
Alex E. Jungmann, Lacoste.  
James D. Dyer, Lamesa.  
William R. Wagle, Lampasas.  
John H. Anderson, Lawn.  
Raymond I. Gabbert, Los Fresnos.  
Jessie L. Kay, Lytle.  
Tryon Lewis, McCamey.  
Iona Cooke, Mart.  
Paul Fomley, Maud.  
Oscar J. Adcock, Merkel.  
William H. Spratt, Mingus.  
Santford P. Rosette, Mission.  
Mollie A. Hough, Montgomery.  
Wenzel K. Richter, Moulton.  
William C. Simmons, Murchison.  
Henry A. Williamson, Nacogdoches.  
Elmer J. Mayo, Nevada.  
Fannie H. Miller, Newton.  
James R. Kersey, Ozona.  
Bessie E. Fairless, Palo Pinto.  
Hattie M. Culpepper, Palmer.  
David E. Cecil, Pampa.  
Ida B. Gilliland, Paradise.  
Charles B. Myers, Poteet.  
Andrew J. Sitton, Pyote.  
Jasper W. Blount, Quinlan.  
Arthur N. Brown, jr., Richland.  
Henry L. Goodwin, Roaring Springs.  
Efren M. Ramirez, Roma.  
Gayle T. Snedecor, Rosenberg.  
John W. Ledbetter, Round Rock.  
Kelsey R. Dort, St. Jo.  
Atheniar Wade, San Augustine.  
Archie C. Saxon, Saratoga.  
Walter Kurz, Somerset.  
Thomas C. Murray, Sonora.  
Nobye Hamilton, Stanton.  
Turner H. Perry, Stephenville.  
Nelson L. Yates, Stratford.  
Winfred C. Wilson, Sunset.  
Daniel G. Shields, Sweetwater.  
John E. Kimsey, Texon.  
Miles B. Earnheart, Trenton.  
Bertha M. Nicholson, Trinidad.  
Ralph D. Gilbert, Trinity.  
Vera Butler, Troup.  
Thomas W. McCormick, Tuscola.  
Alfred S. Maddox, Valley View.



Robert H. Rhodes, Waelder.  
Mary J. Lovely, Weslaco.  
Laura E. Tidwell, Whittenburg.

## WASHINGTON

Joseph L. Milner, Almira.  
Walberg Tonstad, Auburn.  
Augusta Hunt, Burton.  
Donald M. Mitchell, Camas.  
Isaac Knutsen, Chinook.  
Ruth Monroe, Clearlake.  
Inez G. Spencer, Creston.  
Alonzo E. Emerson, Ellensburg.  
Charles C. King, Entiat.  
Clarence W. Fisk, Ferndale.  
William F. Byars, Goldendale.  
Lynn P. Hart, Hunters.  
John H. Gibson, Issaquah.  
Henry T. Bennett, Monroe.  
Zelda Ellis, Morton.  
Jennie A. Smith, Peshastin.  
Rachel A. M. Hilstad, Port Blakely.  
Orien L. Renn, Touchet.  
Arthur W. Calder, Vancouver.  
Anna C. Dowling, Vashon.

## HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 8, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who dwellest in love unspeakable, we praise Thee. In our choicest experiences we can never understand the greatness, the height and the depth, the length and the breadth of divine love. We do rejoice that Thy government is thus established against which all things else may roll their ceaseless waves in vain. Be pleased, O God, to remember our whole land, with all its classes and conditions and vicissitudes. Remember those who are broken up in life and are in despondency. O may all causes of offense, dislike, and hate be purged away. Father of mercies allow justice, love longing, and a common patriotism to be ushered—uniting all citizens inseparably so that the Nation may abide in peace, plenty, and prosperity. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

## PENSIONS

Mr. UNDERWOOD. Mr. Speaker, I call up the bill (H. R. 6596) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, and I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the bill.

This bill is a substitute for the following House bills referred to the Committee on Invalid Pensions:

H. R. 518. Prudence M. A. Burton.	H. R. 583. Lula M. McCoy.
H. R. 519. Nancy P. Conrad.	H. R. 595. Clara Hoard.
H. R. 520. Harriet E. Dutton.	H. R. 701. Arvilla R. Penfield.
H. R. 521. Melissa E. Gibson.	H. R. 714. Elizabeth Nye.
H. R. 522. Elizabeth Harrison.	H. R. 716. Alma Niedhammer.
H. R. 523. Johanna S. W. Micksch.	H. R. 717. Eliza J. Arthur.
H. R. 530. Josephine Hatcher.	H. R. 738. Edith L. Johnson.
H. R. 543. Margaret E. Wilt.	H. R. 774. Caroline Gorgas.
H. R. 544. Nancy A. West.	H. R. 837. Louisa Hiskett.
H. R. 557. Lillie M. Price.	H. R. 839. Serena E. Merryman.
H. R. 575. Elizabeth Wells.	H. R. 840. Emeline Scott.
H. R. 577. Ophelia Roseberry.	H. R. 841. Mary E. Benson.
H. R. 578. Patsy Clark.	H. R. 842. Lydia A. Cary.
H. R. 582. Mollie M. Merrill.	H. R. 850. Sarah E. Burton.
	H. R. 877. Isabel Guffey.
	H. R. 878. Alton Frazier Cowan.

H. R. 896. Nancy J. McWilliams.	H. R. 2412. Frances Bryant.
H. R. 897. Sarah M. Martin.	H. R. 2486. Maud A. Robinson.
H. R. 898. Elizabeth Caslow.	H. R. 2488. Abbie H. Putnam.
H. R. 903. Mary Ann McCabe.	H. R. 2491. Emma D. Busher.
H. R. 978. Octavia Partlow.	H. R. 2498. Effie L. Van Namee.
H. R. 980. Eliza Lagoy.	H. R. 2500. Martha J. Reese.
H. R. 982. Jane Groves.	H. R. 2501. Clara A. Stuart.
H. R. 983. Melissa M. Day.	H. R. 2502. Jane Ferguson.
H. R. 985. Maria F. West.	H. R. 2503. Eugene Roberts.
H. R. 989. Mary R. Wilcox.	H. R. 2504. Emma L. Clark.
H. R. 990. Agnes Daniels.	H. R. 2506. Hannah E. Holbrook.
H. R. 992. Mary Stearnes.	H. R. 2507. Fannie V. Gunnell.
H. R. 1015. Malinda J. Messenger.	H. R. 2508. Mary A. Smith.
H. R. 1016. Nancy Jane Shafer.	H. R. 2509. Dora Peterson.
H. R. 1020. Malinda House.	H. R. 2510. Gertrude Warren.
H. R. 1021. Leanna E. Blair.	H. R. 2511. Frances Prosser.
H. R. 1023. Dora Etta Miller.	H. R. 2512. Catherine Burris.
H. R. 1045. Temple Farley.	H. R. 2513. Minnie J. Hodge.
H. R. 1046. Mary French.	H. R. 2540. Lottie L. Day.
H. R. 1066. Frances J. Coffey.	H. R. 2541. Frances M. Emery.
H. R. 1089. Elizabeth Lloyd.	H. R. 2542. Ellen Foster.
H. R. 1108. Lucinda C. Rowe.	H. R. 2543. Pauline Hartman.
H. R. 1110. George Rush.	H. R. 2544. Elizabeth W. Ogden.
H. R. 1116. William B. Smith.	H. R. 2545. Mercy S. Richards.
H. R. 1149. Frances E. Miller.	H. R. 2546. Emma J. Rimback.
H. R. 1161. Nancy C. Mostoller.	H. R. 2547. Helen Vreeland.
H. R. 1163. Rachel Walter.	H. R. 2550. May F. Waite.
H. R. 1186. Laura E. Delts.	H. R. 2588. Laura E. Gerow.
H. R. 1210. Sarah A. Chandler.	H. R. 2587. Elizabeth Hays.
H. R. 1217. Sarah J. McHenry.	H. R. 2613. Rebecca C. Turney.
H. R. 1220. Rachel E. Phelps.	H. R. 2618. Eliza Mauk.
H. R. 1241. Ida I. Secor.	H. R. 2621. Margaret A. Johnston.
H. R. 1249. Catherine R. Forbes.	H. R. 2623. Nellie Crawford.
H. R. 1268. Lottie McKelvey.	H. R. 2736. Sarah G. Black.
H. R. 1331. Fannie Hoover.	H. R. 2739. Sarah C. Daisey.
H. R. 1343. Marie Ludwig.	H. R. 2747. Rebecca Harris.
H. R. 1344. Cora Cath.	H. R. 2772. Mary Josephine Blain.
H. R. 1357. Harriet A. Skinner.	H. R. 2773. Sarah Alice Hane.
H. R. 1358. Frances E. Tilton.	H. R. 2774. Katharine K. Burns.
H. R. 1425. Mary C. Plunkett.	H. R. 2796. Clara P. Rickard.
H. R. 1443. Elizabeth R. Backus.	H. R. 2797. Elizabeth Berger.
H. R. 1444. Julia A. Hofflicker.	H. R. 2807. Samaria C. Fischer.
H. R. 1505. Frances Ross.	H. R. 2877. Eliza A. Waggoner.
H. R. 1512. Mary E. Downer.	H. R. 2944. Bessie Lancaster.
H. R. 1516. Thana Hope.	H. R. 2946. Adeline Emery.
H. R. 1597. Ellen Kintner.	H. R. 2948. Sarah A. Griffith.
H. R. 1598. Jennie M. K. Banner.	H. R. 2957. Sallie Day.
H. R. 1600. Eya Louise Elberlin.	H. R. 2985. Mary E. Wise.
H. R. 1603. Angeline Davis.	H. R. 2987. Jennie Webster.
H. R. 1641. Mary Snyder.	H. R. 2990. Anna B. Sheplar.
H. R. 1644. Tiney Vass.	H. R. 2994. Ellen Maurer.
H. R. 1645. Harriet Wilson.	H. R. 3017. Adga S. Plummer.
H. R. 1658. Nancy E. Cahoon.	H. R. 3018. Lizzie E. Goodrich.
H. R. 1682. Mary E. Johnson.	H. R. 3025. Jane A. Campbell.
H. R. 1722. Pearl Rounds.	H. R. 3039. Henrietta V. Reed.
H. R. 1726. Amanda Brown.	H. R. 3041. Hannah M. Garver.
H. R. 1728. Mary J. Crawford.	H. R. 3051. Mary E. Cheney.
H. R. 1732. Margaret Kingery.	H. R. 3058. Isabella N. Frye.
H. R. 1733. William M. Mitchell.	H. R. 3138. Tryphena Grier.
H. R. 1743. Mattie L. Bennett.	H. R. 3175. Mary E. Leach.
H. R. 1745. Dorleskia J. Starbuck.	H. R. 3492. Margaret Miller.
	H. R. 3493. Racheal Corl.
	H. R. 3494. Amanda Walker.
	H. R. 3519. Irene Dick.
H. R. 1797. Frances M. Nelson.	H. R. 3520. Rachel Ickes.
H. R. 1867. Ary J. Warner.	H. R. 3549. Lucinda K. Duncan.
H. R. 1870. Catherine Summers.	H. R. 3589. Alice D. James.
H. R. 1872. Harriet F. Skinnin.	H. R. 3656. Emily Brown.
H. R. 1873. Eliza J. Simmers.	H. R. 3729. Ruth E. Colvin.
H. R. 1877. Hulda Patch.	H. R. 3748. Mary J. Pillsbury.
H. R. 1879. Caddie Nichols.	H. R. 3814. Rachel A. Gallit.
H. R. 1881. Gilley Melott.	H. R. 3815. Adella B. Folsom.
H. R. 1884. Matilda Larimer.	H. R. 3821. Henry Dewitt.
H. R. 1891. Emily S. Davis.	H. R. 3830. Elizabeth C. Falconer.
H. R. 1910. Emil Yates.	H. R. 3832. Emma V. Bateman.
H. R. 1952. Catharina Mayer.	H. R. 3861. Cynthia A. Merrill.
H. R. 1953. Maria E. Kelly.	H. R. 3864. Blanche A. Sheldon.
H. R. 1954. Margaret J. Kerr.	H. R. 3865. Elizabeth Garnsey.
H. R. 1955. Susan E. Shelton.	H. R. 3873. Bridget Owens.
H. R. 1956. Martha J. Beal.	H. R. 3878. Sarah J. Adsit.
H. R. 1957. Peoria A. Mattox.	H. R. 3881. Martha House.
H. R. 1959. Truman A. Wedge.	H. R. 3884. Ellen M. Stowell.
H. R. 1960. Mattie J. Otis.	H. R. 3886. Frances M. Hayden.
H. R. 1961. Joanna L. Canfield.	H. R. 3894. Mary Blair.
H. R. 2198. Martha J. Doty.	H. R. 3907. Julia B. Goodrich.
H. R. 2226. Nancy A. Scribner.	H. R. 3973. Annie C. Eldridge.
H. R. 2252. Elizabeth Canfield.	H. R. 3977. Priscilla A. Craine.
H. R. 2348. Eva Calvert.	H. R. 3978. Jacob L. Glenn.
H. R. 2349. Louisiana Butcher.	H. R. 3984. Amanda M. Case.
H. R. 2356. Veturia H. Dugan.	H. R. 3999. Sophronia Austin.
H. R. 2368. Elizabeth F. Rader.	H. R. 4024. Mary E. Boyd.
H. R. 2372. Martha J. Stephenson.	H. R. 4060. Cornelia Shoemaker.
H. R. 2374. Maria Thompson.	H. R. 4164. Sarah E. Miller.
H. R. 2376. Adah Wilson.	H. R. 4171. Kate Pasch.
H. R. 2380. Rosa Ralph.	H. R. 4194. Sarah E. Lane.
H. R. 2390. Chester Jones.	H. R. 4216. Minnie S. Rushton.
H. R. 2398. Florence Cordell.	H. R. 4219. Christiana Rodarmel.



H. R. 4224. Angeline Klinger.  
 H. R. 4282. Nannie B. Kenty.  
 H. R. 4283. Myra E. Bilyen.  
 H. R. 4284. Avarilla C. Culler.  
 H. R. 4285. Mary F. Gregg.  
 H. R. 4302. Bridget Sheppard.  
 H. R. 4316. Lida F. Holmes.  
 H. R. 4341. Liza Crabtree.  
 H. R. 4342. Anna E. Shoemaker.  
 H. R. 4343. Tabitha B. Rader.  
 H. R. 4344. Mary A. Nighswonger.  
 H. R. 4346. Minnie C. Winters.  
 H. R. 4347. Mary E. Ranson.  
 H. R. 4367. Effie Spencer.  
 H. R. 4411. Hannah A. Taylor.  
 H. R. 4460. Martha Friz.  
 H. R. 4775. Carrie E. McGown.  
 H. R. 4777. Mary A. Cozler.  
 H. R. 4778. Anna Smith.  
 H. R. 4779. Millie A. Washington.  
 H. R. 4780. Flora Willhide.  
 H. R. 4781. Deborah Fent.  
 H. R. 4782. Susie A. Clifton.  
 H. R. 4783. Dora A. Stephenson.  
 H. R. 4784. Mariah Green.  
 H. R. 4785. Sarah J. Ripley.  
 H. R. 4786. Julia Johnson.  
 H. R. 4787. Mary C. Allen.  
 H. R. 4788. Margaret Speakman.  
 H. R. 4789. Kate Glover.  
 H. R. 4790. Belle Butters.  
 H. R. 4867. Mary A. Briggs.

H. R. 4871. Sarah A. Mullen.  
 H. R. 4883. Melinda A. Heitzel.  
 H. R. 4945. Christine Pedderson.  
 H. R. 4959. Margaret C. Lloyd.  
 H. R. 4960. Charlotte McMillen.  
 H. R. 4961. Elizabeth Owens.  
 H. R. 4965. Sarah J. Underhill.  
 H. R. 5275. Minnie Eaton.  
 H. R. 5299. Charlotte Hammond.  
 H. R. 5366. Rebecca A. Helms.  
 H. R. 5393. Mary C. Davis.  
 H. R. 5400. Hester A. Devaughn.  
 H. R. 5402. Martha Dorsey.  
 H. R. 5413. Elizabeth Brooks.  
 H. R. 5414. Laura L. Dow.  
 H. R. 5432. Margaret Dicks.  
 H. R. 5528. Victoria A. Martin.  
 H. R. 5565. Ellen C. Hyers.  
 H. R. 5567. Esther M. Amey.  
 H. R. 5568. Edeth Pealing.  
 H. R. 5569. Mary L. Hamilton.  
 H. R. 5589. Mary L. Beers.  
 H. R. 5590. Clarissa Strait.  
 H. R. 5591. Rebecca A. Decker.  
 H. R. 5752. Mary V. Calderwood.  
 H. R. 5783. Ruvira Jerolaman.  
 H. R. 5784. Emma Middleton.  
 H. R. 5918. Prudence K. Clair.  
 H. R. 5934. Caroline Forrest.  
 H. R. 6217. Emma F. Vallandigham.

Mr. UNDERWOOD. Mr. Speaker, I offer the following amendments, which I send to the Clerk's desk.

The Clerk read as follows:

Page 8, strike out lines 9 to 12 inclusive, "the proposed beneficiary Melissa M. Day having died."

Page 8, strike out lines 17 to 20 inclusive, "the proposed beneficiary Mary R. Wilcox having died."

Page 33, strike out lines 11 to 14, inclusive, "the proposed beneficiary Henrietta V. Reed having died."

Page 42, strike out lines 16 to 23 inclusive, "the proposed beneficiaries Anna E. Shoemaker and Tabitha B. Rader having died."

Mr. UNDERWOOD. Mr. Speaker, these four amendments reduce the number of items in the bill to 278 and the annual estimated cost of the bill \$840; the estimated annual cost of the bill as now reported is \$52,212.

The SPEAKER. The question is on the amendments.

The amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. UNDERWOOD, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### CHANGE OF REFERENCE

Mr. LANHAM. Mr. Speaker, I ask unanimous consent that the bill H. R. 7014 referred to the Committee on Public Buildings and Grounds be referred to the Committee on Military Affairs. This bill authorizes the restoration and occupation of the houses and grounds known as Belvoir on the former Lord Fairfax estate upon the Fort Humphreys military reservation in Fairfax County, Va., appropriating \$40,000 for such uses and for other purposes. It seems fair that this should go to the Military Affairs Committee inasmuch as it has to be passed upon by the Secretary of War.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### EXTENSION OF REMARKS

Mr. FINLEY. Mr. Speaker, I ask unanimous consent to print in the RECORD a telegram received by me this morning from a constituent of mine referring to the communist propaganda throughout the country.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. UNDERHILL. I object.

#### THE TARIFF

Mr. POU. Mr. Speaker, I offer the following privileged resolution.

The Clerk read as follows:

#### House Resolution 87

Resolved, That immediately upon the adoption of this resolution the House shall proceed under the general rules of the House

to the consideration of H. R. 6662, entitled "A bill to amend the tariff act of 1930, and for other purposes." This special order shall be a continuing order, and the bill shall be considered from day to day until finally disposed of.

Mr. POU. Mr. Speaker, I ask unanimous consent that the debate on the rule be confined to one hour, of which one-half hour will be controlled by myself, and one-half hour by the gentleman from Indiana, to be yielded by him as he sees fit; that at the end of that time the previous question be considered as ordered on the resolution.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. POU. Mr. Speaker, the rule speaks for itself. I venture the observation that this is the only special rule providing for consideration of a tariff bill we have had in a long time which is not susceptible of criticism. It leaves the bill open to amendment. There is no suggestion of gag rule about it. Even debate is not limited. It seems to me that nothing more need be said concerning the resolution and I reserve the remainder of my time. I yield one minute to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, I rise to give notice that in the near future, as soon as the time of the House will permit, I shall ask unanimous consent to speak on the life of the foremost American philanthropist and humanitarian, Julius Rosenwald, whose body was laid to eternal rest yesterday, but whose deeds will live in the hearts of men for generations, and I hope may be emulated by others. I am certain that so long as philanthropy remains one of mankind's cardinal virtues, his name will be enshrined with those of the greatest benefactors of all time. [Applause.]

Mr. PURNELL. Mr. Speaker, I ask the attention of the gentleman from North Carolina [Mr. Pou]. Evidently it is not his intention to introduce any speaker to explain the bill which this resolution makes in order.

Mr. POU. That will be more proper, I imagine, when the bill comes before the House. We are merely discussing the rule at this time.

Mr. PURNELL. But in discussing the rule we must necessarily discuss the bill which it makes in order.

Mr. POU. It may be that gentlemen on this side will desire to submit some observations. I have had requests for some time.

Mr. PURNELL. In view of the fact that we shall oppose the resolution on this side, I thought perhaps the House ought to be made acquainted with the purpose of the bill which it makes in order.

Mr. BLANTON. We on this side know what is in the bill.

Mr. PURNELL. Then you are much brighter than those on this side.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. PURNELL. Yes.

Mr. O'CONNOR. I call the gentleman's attention to the fact, if he has not already observed it, that this tariff bill is brought in under a rule providing for consideration under the general rules of the House. I do not believe that in the history of this Congress a tariff bill ever came in here under the general rules of the House wide open for debate and amendment.

Mr. PURNELL. The gentleman certainly does not regard this as a tariff bill.

Mr. O'CONNOR. I am talking about the rule under which we are going to consider the bill.

Mr. PURNELL. Not a schedule or a rate is mentioned in the bill.

Mr. O'CONNOR. I repeat that every tariff bill that ever came into this House was sewed up, sealed, and hog-tied under some kind of a gag rule so that no Member had a chance to amend it or offer any suggestions in connection with it. The fair manner in which the majority party is now handling this important legislation ought to set a precedent for all time.

Mr. PURNELL. Mr. Speaker, the gentleman from New York surely realizes that he is very seriously begging the



question. This is in no sense a tariff bill. There are no schedules or tariff rates mentioned in it, and until a few moments ago we were not permitted to see a printed copy of it, and I repeat, if the gentleman from Texas [Mr. BLANTON] knows what this is all about he is much smarter than those who sit on this side of the aisle.

Mr. CLARKE of New York. And he is willing to admit it.

Mr. PURNELL. I had hoped that some one would rise on the Democratic side and explain what this bill means.

Mr. CLARKE of New York. Mr. Speaker, will the gentleman yield?

Mr. PURNELL. Yes.

Mr. CLARKE of New York. Does the gentleman not think it naturally follows that a guilty conscience needs no acoustics?

Mr. PURNELL. Well, words to that effect. It is true that the immediate thing before us is the resolution which makes this so-called tariff bill in order, but I hope that those of you who believe in orderly procedure, those who believe in a protective tariff, will vote down this resolution. At best it is a mere gesture.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. PURNELL. To use the gentleman's own language, not just now. We ought not to make gestures knowingly, and we ought not to play politics with a great national emergency. [Applause on the Republican side.] This is not only a gesture but it is a very vague and uncertain one; and I say frankly to the gentlemen on the Democratic side of the House that even your own political enemies in this House, if we may be so regarded, are disappointed with this measure that you have brought in, just as the country will be disappointed when it learns of this meaningless effort. Spellbinders have gone over this country in the last few months and some in this House have arisen to charge the present Republican tariff law with all of the ills with which this Nation and the nations abroad have been beset.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. PURNELL. Not now; in a few minutes I shall be glad to yield. If this is not a gesture, if the tariff law enacted by a Republican Congress is responsible for the depression in which this country finds itself to-day, then I ask gentlemen on the Democratic side of the House if it would not have been better to point out specifically wherein certain rates are excessive in order that we might meet the issue directly and not through a circuitous route such as is proposed in this bill. Questions have been repeatedly asked of gentlemen who have laid our ills at the door of the tariff as to what specific rates they would raise or lower, and to those questions have come the same silence that I have received time and time again when I have said to critics of President Hoover, "Please point out what this man has done that you would not have done; please point out specifically what he has not done that you would have done." The answer is always the same—nothing but silence. There is vague, general talk against the tariff, with no direct specification. I say to you that the Republican Party believes in a protective tariff. We are its friends. It is one of the tenets of our political creed, because we know it has brought throughout all these years that measure of prosperity and protection [laughter on the Democratic side]—I mean just that, gentlemen, and I shall come closer to your side of the Chamber so that you may hear me better. Throughout its long years, save but for circumstances such as these, over which no man or party has control, it has brought prosperity to American farmers, to American manufacturers, to American laboring men, and has preserved the American markets for American products. [Applause on the Republican side.] I thank God that we on the Republican side of this House stand to-day exactly where we have stood from the beginning on the tariff question.

We have not changed our position one iota, but God knows it would be hard to follow the meandering course you gentlemen on the Democratic side have pursued from free trade up until you have almost adopted the tariff as your own child, especially as it affects those products which are

produced in your own States. I say the Members of the House on the Republican side are its friends, and we are jealous of it. Therefore it borders upon sacrilege to see our Democratic friends tinker with the tariff. [Laughter.] To paraphrase a statement once made by old Uncle Joe Cannon, or at least credited to him, "It is about all we Republicans can do to take care of the tariff question."

Mr. O'CONNOR. Will the gentleman yield?

Mr. PURNELL. In just a minute I will.

I think, ladies and gentlemen of the House, that this effort here to-day is a very fitting prologue to the great dinner to be given in this city to-night in honor of Andrew Jackson. It is worthy of note that this day of all others has been chosen to make this gesture, this day when Washington is filled with hopeful and politically hungry leaders of the great "unterrified" who have assembled here to make preparation for that march up the hill, which shall inevitably result in marching down again in November. [Applause.]

Let the country understand that notwithstanding all the abuse and criticism that have been heaped upon the head of Herbert Hoover, his is the only constructive program presented by any government in all the world looking toward our own rehabilitation or the reestablishment of world stability [applause], and let the country further understand that this new Moses who comes now to lead us out of the wilderness of world despair has no definite program. [Applause.] Let all the world understand that.

Ladies and gentlemen, we love all of you on that side as individuals. There is not a thing in the world we would not do for you as individuals, but your party has not had enough experience [laughter], not enough training, to formulate sound legislation, particularly that dealing with the tariff.

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield myself five additional minutes.

Gentlemen, it is one thing to oppose and view with alarm, and quite another thing to initiate constructive and helpful legislation. [Applause.] I repeat, we love you as individuals, but you are not yet majority minded. [Laughter and applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. PURNELL. I will in just a moment.

You are still thinking in terms of the minority, because you have occupied that position through nearly all of the many years of your party's existence. I find no fault with you about that, but I do complain of your lack of training and experience.

Mr. BLANTON. Now, will the gentleman yield for a question?

Mr. PURNELL. In just a minute.

Now, what is this foolish piece of legislation that you gentlemen propose to bring in under this rule? I confess that I have read it over and over again and am unable to grasp its meaning.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PURNELL. I will in just a minute.

You seek to do three things: First, destroy the flexible provision of our present tariff law. [Applause.] That seems to meet, pretty generally, approval on that side of the aisle. Under the new arrangement which is proposed you provide that the Tariff Commission shall conduct an investigation and shall make a recommendation to the President, who now, under existing law, may make certain increases or reductions within a 50 per cent limit. You now propose that the President shall pass that report on to the Congress of the United States—to the House of Representatives—to be used, as it certainly will be in many instances, as a political football.

Mr. MAY. Will the gentleman yield?

Mr. PURNELL. Not now.

That can only mean unnecessary delay to helpful and needed legislation affecting commodities which may be entitled to an immediate increase of rates. It means, also, long, drawn-out debates on the floor of this House. I submit further to the gentlemen who drafted it that under



the provisions of this bill report might be sent along by the President to the House of Representatives late in February of a short session, with the result that the report could not be acted upon by the Congress until the following December. Thus, the business of the country might be kept in constant turmoil. That, gentlemen, is not calculated to help a return of normal prosperity, which is so much to be desired.

Mr. PARSONS. Will the gentleman yield?

Mr. PURNELL. I can not. Other gentlemen want time, and I have already taken too much myself.

I only point out a few of these high spots in passing, because if this resolution is adopted, I am sure those on both sides of the Ways and Means Committee will have ample opportunity to go into the details of the many provisions in the bill.

Secondly, it creates a consumers' counsel. Well, that means a new office, a new salary of \$10,000 per year, and, of course, if adopted, is the opening wedge for the creation of a new Federal bureau in Washington. Every Member of this House knows what happens when a new office is created. It will be continually enlarged until it will be one of the great offices in our Government. I hope during the course of the debate, if this resolution is adopted, somebody will point out what the duties of this consumers' counsel will be. Whom does he represent? Who are the consumers of this country? The railroad companies use steel and therefore they are consumers. Will this consumers' counsel represent the railroad companies? A contractor or builder who buys stone, who buys brick, who buys glass, who buys cement, is a consumer. Will this consumers' counsel be called upon to represent all of the contractors and all of the builders of this country? I could go on indefinitely with illustrations of that kind and character. I want to know from somebody just whom this counsel will represent. Gentlemen, this is nothing but play to the gallery; a play to the country for popular favor.

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield myself five additional minutes.

Further, gentlemen, it impugns the integrity of the present Tariff Commission. If you want to weaken the commission, one sure way to do it is to write into this bill this section which provides for a consumers' counsel. So far, as far as I have heard, there have been no complaints against the Tariff Commission. There has been no suggestion by anyone that they have acted unfairly in any matter, and, as we all know, it is a nonpartisan body.

Now, we come to the third section, which nobody seems to understand, and that is the creation of an international economic commission, a perpetual, everlasting commission, created to deal with like representations from other nations of the world. How many of them will there be? What salaries will they receive? What are their duties? I have been unable to learn from anybody just what the proposed duties of those who shall serve on this international economic commission are.

There already exists such an organization within the League of Nations. Is it proposed that we shall join the League of Nations and become a part of it in order to get into this international economic commission? I say to you that the Republican Party and the people of this country have spoken with respect to the League of Nations. [Applause.]

There is another injunction written into this bill which provides that the members of the commission from the United States shall not discuss debt settlements. In other words, our representatives may go to this international commission; they may sit down and be part of it, but when the time comes to discuss debt settlements or any matter affecting them they can not open their mouths. I wish somebody would point out how our representatives on that commission, if they be selected, can possibly sit in such a conference and not be cognizant of or affected by the proposal to reduce or cancel our debts. It is perfectly natural that

these foreign nations will say to our representatives, "Well, gentlemen, you are keeping our goods out of your country and until we make some arrangements about that we can not pay our debts." It is, I repeat, a proposal that is vague and indefinite. It is so indefinite as to render it absolutely dangerous.

I want to say in conclusion, gentlemen, that the Republican Party is proud of its record on the tariff. We are proud of our tariff policy. [Applause.] It is distinctly a Republican policy, and for that reason we on this side of the Chamber are unwilling that that policy shall be fixed, modified, or rewritten in any international conference. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. POUL. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD]. [Applause.]

Mr. BANKHEAD. Mr. Speaker, ladies and gentlemen of the House, it had not been my purpose to indulge in any remarks with reference to the adoption of the resolution which has been reported from the Committee on Rules. The distinguished and able chairman of that committee in a very brief statement asserted it did not appear necessary to engage in any extensive argument with reference to the purpose of the rule. I think that fact is absolutely apparent to any gentleman who will read the rule as offered. It was merely the purpose of our committee to bring up for the consideration of the House, under a most liberal and fair rule as to the opportunity for a full, free, and fair discussion, the items involved in this proposed legislation; but inasmuch as the distinguished ranking member of the minority upon the Rules Committee has made somewhat vigorous complaint that he and others were denied the privilege of knowing what was in this bill, which they seem to think they had the right to demand—although it is absolutely apparent that as far as the gentleman from Indiana is concerned he has made a very minute study himself of the bill, and subsequently undertook to severely criticize its several items—I feel like accepting, in just a few words, the invitation of the gentleman from Indiana to give at least my impression of the major purposes of the bill that has been presented by the Committee on Ways and Means.

The gentleman says this is merely a gesture with reference to the adoption of some real tariff legislation. He complains most bitterly that it fails to bring in for the consideration of the Congress or the country any specific recommendations with reference to changes in the schedules of the existing law, but the gentleman from Indiana, as a practical politician thoroughly familiar with the political situation here in Washington, knows that as far as the Democratic Party is concerned, with only a bare majority in the House of Representatives with an adverse Republican majority at the other end of the Capitol, and with a President in the White House who has committed himself unalterably to any change in the tariff schedules—the gentleman from Indiana knows and the American people know that the Democratic Party can not be legitimately charged with failing to bring in, under those circumstances a general tariff revision law. [Applause.]

It may be that in the conception of my distinguished friend from Indiana this is a mere gesture, but it is the only legitimate gesture that our party, in its wisdom, could make at this time.

And, now, what is the proposal? The first section of this bill deals with an amendment to the existing law creating the Tariff Commission and defining its jurisdiction and functions. Under the present set-up of the administration of that ineffective body—and I am not speaking personally with reference to its membership but with reference to the practical effect of its functioning—we know how little, if anything, it has accomplished with reference to the real consideration of the tariff schedules as they now exist. Under the existing law the Tariff Commission may make investigations, but it can only report those investigations to the President of the United States and not to the Congress of the United States, which is made up of the representatives of the American people. [Applause.]



Here in this body and in the body at the other end of the Capitol, under the Constitution, are vested the powers to devise and frame legislation affecting the revenues of this country, and its domestic and foreign economic policies as far as they are affected by the tariff.

This bill is brought in by the Democratic Committee on Ways and Means and proposes a substantial change in the existing law with reference to the Tariff Commission. It provides they shall not only report their findings to the President but that they shall report them to the Congress of the United States and give us the opportunity to make changes. In other words, gentlemen, it is but a return to the Congress of the United States of that original power and jurisdiction affecting these measures which, in my opinion, should never have been taken away from it and vested exclusively in the Executive of this country. [Applause.]

Moreover, under the existing law as it affects the Tariff Commission the President can not change articles from the dutiable to the free list and vice versa, however apparent it may be from the evidence submitted by the commission that such changes should be made. The proposed law vests in the Congress of the United States this power under this language:

Any such increased or decreased duty may include the transfer of the article from the dutiable list to the free list or from the free list to the dutiable list, a change in the form of duty, or a change in classification.

In short, gentlemen, without going into any elaborate discussion of details, these are the major changes with reference to the jurisdiction of the Tariff Commission.

Now, the gentleman seems to express great anxiety about the provision contained in section 3 of the proposed act which relates to the appointment of the consumers' counsel. The gentleman seems to be very apprehensive that the office set up here in this section may result in there being before the Ways and Means Committee, when they go to frame tariff bills, some special representative of the vested interests, some representative of the great corporations of the country that he recited in his statement.

Gentlemen, this is not the purpose of the provision. Upon the contrary, the very reverse is the purpose of it. In times past when the great Committee on Ways and Means, under Republican control and domination, was having its hearings over here in the House Office Building sometimes I would go by and look in and stand for a little while to see the character of representatives who were there making arguments before that committee as to the levying of these duties. I saw there the executives of these great corporations. I saw there men of the highest type of quality as auditors and special pleaders, experts in the juggling of figures and in the concealment of facts; and as I looked upon them and saw the absence of any real representative of the consumers and of the multitudes of America, I felt in my heart that the plain people of this country, who are most hurt by the provisions of these exorbitant rates, had no pleader there, no articulate voice, to represent their interests before this great committee.

The Democratic Party, in its anxiety to carry out its belief that all the people of this country should be represented in the preparation of tariff bills affecting their pocketbooks and earnings, believe they should be entitled to have as their spokesman upon these great issues some man appointed because of his recognized lack of any entangling commercial alliance, a man appointed for his ability, for his honesty, and, if you please, for his humanity, to stand up there as a well-qualified man to present in the preparation of these schedules the interests of the plain people of this country.

[Here the gavel fell.]

Mr. POULSEN. Mr. Speaker, I yield the gentleman two more minutes.

Mr. BANKHEAD. And I will say to my friend from Indiana [Mr. PURNELL] and all his associates on that side, that this is the real purpose of this provision, and its purpose can not be distorted by any false interpretation of its language.

We are asking the President—I think it is a vain thing, because we know his mind on this question as related to the present tariff situation—to call, if he sees fit to do so, an international economic conference at which these questions may be raised and considered: The lowering of excessive tariff duties, eliminating discriminatory and unfair trade practices and other economic barriers affecting international trade and finance; the preventing of retaliatory tariff measures and economic wars, and promoting fair, equal, and friendly trade and commercial relations between nations; and if this resolution passes, I trust the President of the United States may find in his heart and mind to comply with this request of the Congress.

Ah, gentlemen, I have not the time—others will do it—to go into the results of the present tariff law as affecting our international trade, and the effect of the retaliatory tariff walls that have been built up, and of the exodus of American money to other countries to set up there competing factories with our own commerce.

The gentleman from Indiana says that the Democratic Party is not as yet majority minded. Well, we have not very much of a majority yet, but as the returns continue to trickle in, especially from up in the old, rock-ribbed State of New Hampshire, this majority continues to increase. [Applause.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. P. T. Barnum, a famous showman, is quoted as having said the American people like to be fooled.

It must be something in harmony with this expression which prompted the Democratic "big wigs" to inject this tariff proposal into Congress at a moment when the country anxiously awaits legislation which will ease credit and define what must be expected in the way of new taxes.

These great questions, upon which business depends, are delayed, and to the forefront is pushed a tariff bill which can not be enacted into law and which can have but one effect and that is to disturb business.

Think of the spectacle here unfolded. In a great business crisis, much of which is caused by fear and lack of confidence, the leadership of a party which seeks to rule the country pushes to the forefront a bill which will add to confusion and instability.

What is the reason for this bewildering move? I do not believe it is made with the deliberate purpose of delaying better days. I am sure no one would intentionally thus play with human misery. Why a tariff threat at this time? It can be interpreted only as a political move.

Ever since the Hawley-Smoot bill was enacted into law the Democratic orators have joined in the anvil chorus with the international bankers, the patriotic importers of foreign goods, and the officials of foreign countries in denunciation of the protective features of the bill. "As soon as we get into power," was the chant of the Democratic national leaders in 1930, "we will correct these inequities." They came into power and this evasive bill is their contribution.

Where are these inequities? Surely if they were as bad as they have been painted, they should be quite obvious to the membership of a committee which has been studying tariff bills for many years. If obvious, why not name them? Can it possibly be that the bold Democratic warriors have lost their courage? Why not be frank with the people? Why not tell them what items you think need correction, so the people of the country will know what to expect.

What is the real situation as to the tariff. It is a fact that in many instances the additional tariff granted through the Hawley bill has been lost through depreciation of the currency in leading manufacturing countries, and in a greater lowering of costs in foreign countries than in the United States.

Why, then, this demand for tariff revision? Who seeks it with greater avidity than the same group of international bankers who clamor also for a cancellation of public debts. Do these men demand America buy more foreign goods because they wish to help the American business man and the



American worker, or can it be they are thinking of these same foreign investments which profit them to demand the shifting of the great burden of the debts accumulated after the World War from foreign to American taxpayers. I leave it to you to answer that question.

Every internationalist will rejoice at the Democratic proposal of a tariff conference to determine tariff rates. One of the great objections advocated against American entry into the League of Nations was a fear we would be forced to submit purely domestic questions to an international forum. The tariff was specifically named. It was denied, of course, but lo and behold, here it is, coming through the rear door.

A conference of the 64 nations of the world would be held and they would all tell us what to do about the American tariff.

What a gathering this would be! The mind can easily visualize from our past conference experiences how unselfishly and disinterestedly our needs would be considered by the diplomats of other countries. England, with her great Manchester and Oldham textile mills, would, of course, be anxious to see the mills of Fall River, New Bedford, and North Carolina fully protected. [Applause.]

That smart, progressive nation, sometimes called the "Yankees of Europe," Czechoslovakia, would be most considerate of American shoe manufacturers, jewelers, plate-glass makers, and so forth. [Applause.] Germany, fighting to stage a comeback, would be most solicitous for the American dyer, china and silverware manufacturers, and toy makers. So it would continue all along the line. One would be obliged to be a superoptimist to expect an agreement.

Talk about international amity and good will! Turn the representatives of all the world in such a conference, all sorely pressed to provide a livelihood for their people, and you will unleash more hatred and enmity than can be removed by a century of silent, constructive work. [Applause.]

They tell you lower American tariffs are necessary to expand our foreign trade. That can be true of only a few items at present, and it will not include these many years hence, as every industrial nation strives for self-sufficiency. Lower the tariff and you will make the greatest contribution to more unemployment that it is possible to make.

Lower the tariff, increase the imports of goods manufactured abroad, and there can be but one result. The output of American factories will be diminished and countless additional American factory workers will be without a job.

Let us not become hysterical over our foreign trade as we read and hear the paid propaganda that comes from the international bankers and the international debtors. Our foreign trade, both imports and exports, has, of course, declined, as must be expected in a period of depression and falling commodity prices. But there is no indication of the exports being materially affected by the Hawley-Smoot bill. We can rely on the solid premise that no foreign country is going to buy anything from us unless it is advantageous to do so. Neither will they refrain from buying if they can buy here advantageously.

All of us, I am sure, are devoted to the purpose of putting the American people back to work. This will never be done by chasing too absorbingly the 9 or 10 per cent of our volume of trade which is catalogued as foreign. We are not going to get any help from Europe in achieving business normalcy. That must come from our efforts in building up our own enterprises.

The era of devoting our money and efforts to stimulating enterprises which will eventually compete with our own people is gone. It is estimated we are working at about 58 per cent of the 90 per cent total of domestic business. Let us give these home enterprises consideration, and as the figures of home production and home consumption climb we will have the satisfaction of seeing happiness and contentment return again to the American people.

I trust that the House will reject this resolution now proposed, because it can not help but make for instability and uncertainty. [Applause.]

Mr. PURNELL. Mr. Speaker, how does the time stand?

The SPEAKER. The gentleman from Indiana has consumed all of his time, the gentleman from North Carolina has 15 minutes remaining.

Mr. PURNELL. Mr. Speaker, obviously two or three minutes were charged to me in a colloquy between myself and the gentleman from North Carolina. Will the gentleman from North Carolina yield me a few minutes more?

Mr. POUL. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Indiana be extended five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. PURNELL. I thank the gentleman, and I yield five minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, the mountain labored and it brought forth a mouse. [Laughter.] The bill which this rule makes in order is in no way a tariff bill, as that term is generally accepted in the country. Not a single tariff rate is affected, nor can, under any conditions, be affected for months if not years, provided, of course, the bill is enacted into law. Our Democratic friends have always complained about what they call excessive rates in Republican tariff laws. I remember during the consideration of the Fordney-McCumber tariff bill we were told that the rates in that law would destroy our foreign trade, and the rates in the Smoot-Hawley bill were condemned as unconscionable, prohibitive, and unjust. During the last campaign and since that time our Democratic friends, through the press and from the rostrum, have in most vitriolic terms condemned the Smoot-Hawley law and have promised the people that if they were given the power, that the first thing they would do would be to change these rates and do away with what they term this "robber tariff." I returned to Congress this winter appreciating that the Democrats would control the House and firmly believing that at least an effort would be made to keep their promise to the people and lower the Smoot-Hawley rates. I happen to be one of those who do not believe that any rate is infallible, and I am ready to assist in lowering or raising any rates which are shown to be improper and inequitable. However, the bill which we are to consider does not pretend to affect the tariff rates at this time, and, in my judgment, it would be two or three years before any change in existing rates could become effective, and the effect of the bill would be to destroy any work already done by the Tariff Commission looking toward the lowering of existing rates, and I challenge anyone, including the gentleman from Mississippi [Mr. COLLIER], who knows the facts, to show that if this bill is enacted there can be any change in existing rates until the machinery set up in this bill is put into operation.

The flexible provision of the Smoot-Hawley bill provides a scientific means of ascertaining proper tariff rates in accordance with a protective-tariff policy. The bill which we are to consider recognizes the principle of the flexible clause, but destroys its very purpose. The tariff is a political issue to the extent that the policy of a protective tariff is political, and the policy must be declared by the Congress. The question of rates should not be political. If it is the policy of the Congress to adopt a protective tariff bill, well and good, but the Congress does not have the machinery, the time, or qualification properly to determine rates, and this matter should be left entirely in the hands of experts like the Tariff Commission. Under existing law the Congress has determined upon the policy. Tentative rates have been made effective, and if this scientific commission finds that as a matter of fact they are too low or too high, and this fact is reported to the President, the President automatically may lower or raise the rates in accordance with the report of the commission. The principal change proposed at this time is that the commission reports to the Congress in each case and that the Congress then proceeds in the usual political way to fix the rate. To this method I am absolutely opposed, and I believe that the American people want the tariff



taken out of politics in so far as possible, and the adoption of this bill would be a step backward.

I challenge any Member who is familiar with the writing of tariff bills to say that any tariff rate can or should be written in Congress. It was the policy of the Smoot-Hawley bill to remove tariff making as far as possible from logrolling and political turmoil which accompany the consideration of tariff bills in Congress. This bill, if effective at all, would require Congress to be debating tariff schedules three-fourths of the time. Indeed, there would be a continuous session of Congress, a continuous disturbance of business, and a general unsettled economic uncertainty throughout the country.

As a new feature in a tariff law it is proposed to set up a "consumers' counsel," so called. Now, as a matter of fact, it will be very difficult to ascertain just who the consumers and the producers of the country are. This section is framed on the theory that the Ways and Means Committee, the President of the United States, and the Tariff Commission, which is nonpartisan, do not represent the consumers, but are the personal representatives of those seeking tariffs. This is at least a reflection upon the Ways and Means Committee which reports the bill, and I for one am not ready to concede that this body does not represent the people.

In providing for a consumers' counsel, a new job is created. This individual is to receive \$10,000 of the taxpayers' money a year, and he is given more power and more authority in his bureau than has ever been given to the head of any commission or bureau. Without limitation, except in the way of appropriations, this individual may employ such help as suits his own notions. There is no limit to the number of employees or the salaries to be paid. When appointed he shall serve for four years and can only be removed by impeachment. He would represent the "people" before the Ways and Means Committee and before the Tariff Commission. He would be permitted to hold such hearings and make such investigations as to him seemed wise and prudent. Even the Tariff Commission is placed at his disposal, and the latter part of subsection (b) of section 3 of the bill provides that upon the request of this counsel this commission shall promptly conduct any investigation requested by the counsel. Indeed, the whole matter of determining rates is placed under the direction of this individual. It is also interesting to note that no person shall be eligible for appointment as counsel if he has any knowledge about tariff matters or has ever had any experience in connection with legislative enactments. Like the proverbial jurymen, his mind must be a blank on all the matters with which he is expected to deal. It seems to me that the President will have some difficulty in locating and surely the Senate will take time in selecting such an individual.

Section 4 provides for an "International Economic Conference." In short, 60 or 70 nations of the world are to be asked to join in a permanent conference for the express purpose of lowering our tariff duties and to remove "economic barriers" between the nations.

The section provides, however, that the conference must be careful and not discuss the cancellation or the reduction of the intergovernmental debts. Thank God, some of us are trying to be just a little bit American. We believe in nationalism at least once in a while; and while possibly the World War has brought us into such international relations that we must go further than we should like, yet I am sure that the American people will never sanction any law which places in the hands of any league, be it the League of Nations or an economic league—call it what you will—the power to say what the United States shall do so far as her tariff policies are concerned. You here proposed that Europe write our tariff rates for us. We have a different standard of living; we have a different people, and it is just as reasonable to ask that the President call another conference the purpose of which is to strike down our restrictive immigration laws. The American wage earner, the American farmer, and the American manufacturer demand an American protective tariff.

We are told that the rule which makes this bill in order is not a "gag" rule; that debate will be free and open and that every opportunity has been given to permit considera-

tion of this measure. As a matter of fact, this rule was reported out by the Rules Committee before the Ways and Means Committee had commenced consideration of the bill.

It has not been possible to get a copy of the bill as reported by the committee until about an hour ago, and it has not been possible to get a report of the committee until within the last 15 minutes, and this rule makes the consideration of the bill continuous until a vote is had. Those who are opposed to the bill should vote against the rule giving consideration to the bill, and, possibly, if two days' time are not taken in the consideration of this bill, we might proceed with the President's reconstruction program. It seems to me vastly more important that the House proceed with legislation looking toward immediate relief from our present economic conditions rather than setting up some new bureaus and calling conferences to discuss tariffs, which can not under any conditions become effective for months, and possibly years. It seems to me that, so far as the tariff is concerned, this is much ado about nothing. If the present tariff rates are too high, let us lower them; but let us not deceive the people by leading them to believe that we are passing tariff legislation. It is the rates that the American people are interested in, and meaningless language, even though it be called a tariff bill, will not satisfy them.

Mr. POUL. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, for 60 years the Republican Party has been not "laboring," but it has been logrolling on tariff bills, and instead of a "mouse" they have brought forth a Frankenstein which has ruined America. [Applause on Democratic side.] I was amused to hear the gentleman from Massachusetts [Mr. MARTIN], coming as he does from that territory which was the original beneficiary of the high protective tariff, defend the Hawley-Smoot tariff. I wonder, when he goes home this week-end, whether he will see any more mills closed on account of the high protective tariff; whether he shall see any more cities in bankruptcy on account of the high protective tariff.

The gentleman from Indiana [Mr. PURNELL] was greatly concerned because he feared the people of the country might be disappointed with this measure. I do not know what else could possibly happen in this Nation that could further disappoint the American people. Why all this pretended surprise at the Democratic majority bringing forth this proposal? Why, it is in the Democratic national platform of 1928 almost word for word. Since Woodrow Wilson the Democratic Party has stood for the proposition of taking the tariff out of politics and against the other extreme of putting it up there in the Executive Mansion. We have demanded it be taken out of politics, under the supervision of a quasi-judicial fact-finding commission. I commend the reading of the Democratic platform to some of the gentlemen on the other side of the aisle. Furthermore, in every speech made by the Democratic candidate for President in 1928 in which he talked about the tariff he advocated the identical proposal we have before us to-day, that a real, untrammelled body be created to examine into the facts and report them back to Congress, one rate at a time. The last is the biggest feature of the whole proposal. The Republicans never dared to bring in one rate at a time. You all will recall the days when the Hawley-Smoot tariff was jammed through this House—when the Members from the Northwest and from the West, who were interested in lumber and shingles and cement, wanted a separate vote on these items. The Republican machine by a gag rule made it certain that they never could get a vote on any individual item, because if they had permitted such a vote the rates on many items in the present bill just would not be there.

The chief purpose of this measure is to correct that abuse. It is an honest attempt, and the first honest attempt, to enact a tariff without logrolling, to keep it in the control of the Congress and not under the political domination of the Executive, with his partisanship, whatever party he may represent.

Oh, I would like to read to you the Republican campaign speeches made in 1928. The gentleman from Indiana [Mr. PURNELL] said that the Republican Party still stood for



every principle and detail of the protective tariff that it did in the past. I wonder if it still stands by those old slogans it used, sometimes so effectively, to deceive the electorate as to how the country had profited and "prospered" solely and only because of the protective tariff.

I sought to interrupt him to ask him if he still stood by those old bromides as to what the tariff had done for the American farmer. Let us just take one of their shibboleths—listen while I read: "No Republican tariff ever mortgaged a farm." Did you hear it? Well, there are certainly a lot of mortgages on farms to-day.

For 60 years the Republican Party has been electing itself to office by deceiving the farmers of the country with the statement that a high protective tariff was their salvation, and only within a few years have the farmers awakened to the fact that the Republican tariff, rather than being of any benefit to them, has ruined them—has been the chief cause of the condition of the farmers in the Nation to-day. You Republicans can not be sincere when you express "surprise" at this measure. You are not sincere when you say that we are trying to do something that will not amount to anything. This proposal constitutes, undeniably, the first forward step to deal with the tariff one schedule at a time, and by Congress, where the power belongs, and not at the other end of the Avenue, where the interests so well described by the gentleman from Alabama [Mr. BANKHEAD] have a standing invitation.

A consumers' counsel! So that shocks you! It is about time we had one. We should have had one 50 years ago. You would never let the consumer in on a tariff bill at all. We are. We are inviting him in and providing him aid and assistance to present his side of the case. Not only was he never represented but he was never even thought of. The tariff was written not in the committee room, not in the open. It was written in Pennsylvania or in New York or in Chicago, wherever the chief beneficiaries happened to arrange their meetings. Let us be fair about the matter. Grundy and Mellon wrote the Hawley-Smoot tariff bill.

Duly elected Members of Congress had no hand in it. They took what was handed to them by the chief contributors to the campaign funds of the Republican Party and swallowed, maybe hard at times, but they took their medicine.

Ladies and gentleman, those days are over forever, let us hope. That is what hurts you ladies and gentlemen on the other side. You can not understand such a Democratic proposal could come after all these years. It may be some time before you get over the shock. The Republican method of dealing with the tariff has been the outstanding scandal of our Government for 60 years. This will be the end of it. [Applause.]

Mr. POUL. Mr. Speaker, I yield nine minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, ladies and gentlemen, I trust that the House will adopt this resolution for this rule, because it is a liberal rule that allows discussion of this important subject and allows amendment, and it is an honest effort on the part of the majority of this House to provide legislation concerning the administration of the tariff law.

There are many features in its administration of the present tariff law that are open to criticism. In the first place, this bill will make of the Tariff Commission a fact-finding commission as the servant of the Congress. Congress created the Tariff Commission for the purpose of gaining information in order to legislate intelligently. The travesty in any tariff law, I think, has been to delegate the authority with reference to the creation of tariff duties and tax legislation, to the executive department. I think it is contrary to the traditions of our Government, although the Supreme Court may have ruled that it is constitutional; still, as a traditional policy of our country, I, as one Democrat, and I think I voice the sentiment of the majority of my party, am opposed to the President of the United States enacting tariff duties or tariff schedules.

The Tariff Commission, under this law, will report to the Congress, and it can arrange those reports so that the Congress can legislate intelligently, following the report in

their regular session. In my judgment, this will repeal, by implication, the flexible features of the tariff law. This bill will establish a consumers' counsel. The Tariff Commission is a judicial body, to hear the facts upon which legislation and rates shall be based. The manufacturer is always adequately represented before the commission, presenting statistics, data, and facts, but that great forgotten class, the consumers of America who pay the increased prices because of the tariff, not in the way of revenue that goes into the Treasury of the United States but in the way of tribute that goes into the pockets of those who enjoy the privilege of high protection—this great unforgotten class of consumers will have a representative there to present facts that are gathered by the various organizations throughout the country that are interested in questions of tariff legislation. This is a concrete feature that is fair, that is just, and that will improve the administration of the law before the Tariff Commission. This law proposes to establish an international economic conference. When we are cognizant of the fact that following the Hawley-Smoot bill some 30 nations have enacted retaliatory tariffs because of our high duties, and, facing those barriers with our export trade and knowing that if we lower our duties we are opening the way for those nations who may not reciprocate upon a mutual basis, appreciating this entanglement of our export trade, what more can be done than provide that the President shall call such a conference to consider those facts in order that when the duties are lowered they shall be lowered upon a fair basis for most nations, so that reciprocal trade can be enjoyed and so that mutuality will exist?

We are not responsible for this present world situation with reference to the barriers in restraint of trade, but we are calling upon the President of the party who has created this situation to appoint an international conference that will help adjust the situations for which the present administration is responsible. If the President is sincere and if his party is sincere, he will appoint this conference with the idea of adjusting these rates between nations, and not, as my friend from Michigan says, allow Europe to have a right to say what our rates shall be, but Europe shall come into a conference around the table and shall reach an agreement under a treaty initiated by the President of the United States and ratified not only by the Senate of the United States but I believe also by this House in this kind of legislation which pertains to revenue. Is that allowing Europe to adjust our rates or is it taking it up under the proper treaty-making powers of the Constitution in order to adjust matters?

My friend from Indiana [Mr. PURNELL] threw this debate into political channels. He said it had been the traditional policy of the minority party to build its prosperity upon a high protective-tariff basis. God forbid that we shall have any more degrees of prosperity measured by that kind of standard in view of the present situation of our country. [Applause.] If this be the measure of your prosperity, based upon superprotection, then give us some administration of the law that will look to a lowering of these rates.

Ladies and gentlemen of the House, this does not forestall the taking up of any tariff duty or tariff schedule. This provision looks to the administration of the law and those iniquities that have grown up through years in the enactment of laws such as those now upon the statute books. It is to adjust those iniquities that we are providing these administrative features.

They speak about the flexible feature taking the tariff out of politics. The flexible clause in the tariff law has existed for almost 10 years. During the administration of Mr. Coolidge, he used the flexible feature a few times, but did we find, as the gentleman from Michigan says, that it took it out of politics?

When Mr. Hoover called a special session of Congress to enact a tariff law which would be for the benefit of the farmers, and which took up all of the industrial rates and schedules, for every dollar of benefit which they gave the farmer in the way of duties they took \$5 out of his pocket in increases of rates on manufactured commodities, and



under that logrolling process that we all observed when the Hawley-Smoot bill was under consideration, can we say that the flexible feature of the tariff law has ever taken the tariff out of politics?

Mr. ALLGOOD. Is it not true that the only effect it had was to "effect" it up all the time instead of down?

Mr. GREENWOOD. Certainly. If there should be a rate on any particular commodity that should be adjusted, it should be done by Congress after hearing the fact-finding report of the Tariff Commission, which commission is the creature of Congress itself, and it should not alone report to the President.

If this bill contained no other feature except the repeal, by implication, of the flexible clause of the present tariff law, I would be glad to vote for it, because under the Constitution I do not believe that it is a function of the President to create or alter tariff duties, but it is a function which ought to be exercised by the representatives of the people, as the Constitution provides. [Applause.]

[Here the gavel fell.]

The SPEAKER. The question is on the adoption of the resolution.

Mr. PURNELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 174, answered "present" 1, not voting 44, as follows:

[Roll No. 8]

YEAS—214

Abernethy	DeRouen	Johnson, Tex.	Pettengill
Allgood	Dickinson	Jones	Polk
Almon	Dickstein	Karch	Pou
Amle	Dies	Keller	Prall
Arnold	Dieterich	Kelly, Ill.	Ragon
Auf der Heide	Disney	Kemp	Rainey
Ayres	Dominick	Kennedy	Ramspeck
Bankhead	Doughton	Kleberg	Rankin
Barton	Douglas, Ariz.	Kniffin	Rayburn
Beam	Douglass, Mass.	Kvale	Reilly
Black	Doxey	LaGuardia	Romjue
Bland	Drane	Lambertson	Rudd
Blanton	Drewry	Lambeth	Sabath
Bloom	Driver	Lamneck	Sanders, Tex.
Boehne	Eslick	Lanham	Sandlin
Boland	Evans, Mont.	Lankford, Ga.	Schneider
Boylan	Flesinger	Larrabee	Schuetz
Brand, Ga.	Fishburne	Larsen	Shallenberger
Briggs	Fitzpatrick	Lewis	Shannon
Browning	Flannagan	Lichtenwalner	Sinclair
Brunner	Fulbright	Lindsay	Sirovich
Buchanan	Fuller	Linthicum	Smith, Va.
Bulwinkle	Fulmer	Loneragan	Smith, W. Va.
Burch	Gambrill	Lozier	Spence
Busby	Garrett	Ludlow	Stafford
Byrns	Gasque	McClintic, Okla.	Stegall
Canfield	Gavagan	McCormack	Stevenson
Cannon	Gilchrist	McKeown	Stewart
Carden	Gillen	McReynolds	Sullivan, N. Y.
Carley	Glover	McSwain	Summers, Tex.
Cartwright	Goldsborough	Major	Sutphin
Cary	Granfield	Mansfield	Swank
Celler	Green	May	Sweeney
Chapman	Greenwood	Mead	Tarver
Chavez	Gregory	Miller	Taylor, Colo.
Christgau	Griffin	Milligan	Tierney
Clark, N. C.	Griswold	Mitchell	Tucker
Cochran, Mo.	Haines	Montague	Underwood
Cole, Md.	Hall, Miss.	Moore, Ky.	Vinson, Ga.
Collier	Hancock, N. C.	Morehead	Vinson, Ky.
Collins	Hare	Nelson, Mo.	Warren
Condon	Harlan	Norton, Nebr.	Weaver
Connery	Hart	Norton, N. J.	West
Cooper, Tenn.	Hastings	O'Connor	Whittington
Corning	Hill, Ala.	Oliver, Ala.	Williams, Mo.
Cox	Hill, Wash.	Oliver, N. Y.	Williams, Tex.
Crisp	Hornor	Owen	Wilson
Cross	Howard	Palmisano	Wingo
Crosser	Huddleston	Parker, Ga.	Wood, Ga.
Crowe	Igoe	Parks	Woodrum
Crump	Jacobsen	Parsons	Wright
Cullen	Jeffers	Patman	Yon
Davis	Johnson, Mo.	Patterson	
Delaney	Johnson, Okla.	Peavey	

NAYS—174

Adkins	Bacon	Brand, Ohio	Cavicchia
Aldrich	Baldrige	Brumm	Chindblom
Allen	Barbour	Burdick	Chilperfield
Andresen	Beck	Burtness	Christopherson
Andrew, Mass.	Beedy	Butler	Clague
Andrews, N. Y.	Beers	Cable	Clancy
Arentz	Bolleau	Campbell, Pa.	Clarke, N. Y.
Bacharach	Bolton	Carter, Calif.	Cochran, Pa.
Bachmann	Bowman	Carter, Wyo.	Cole, Iowa

Colton  
Connolly  
Cooper, Ohio  
Coyle  
Crall  
Crowther  
Cuikin  
Curry  
Dallinger  
Darrow  
Davenport  
De Priest  
Doutrich  
Dowell  
Eaton, N. J.  
Englebright  
Erk  
Estep  
Evans, Calif.  
Finley  
Foss  
Free  
French  
Garber  
Gibson  
Gifford  
Golder  
Goodwin  
Goss  
Guyer  
Hadley  
Hall, Ill.  
Hall, N. Dak.  
Hancock, N. Y.  
Hardy

Hartley  
Haugen  
Hawley  
Hess  
Hoch  
Hogg, Ind.  
Holaday  
Hollister  
Holmes  
Hooper  
Hope  
Horr  
Houston, Del.  
Hull, Morton D.  
Hull, William E.  
James  
Jenkins  
Johnson, S. Dak.  
Johnson, Wash.  
Kading  
Kahn  
Kelly, Pa.  
Ketcham  
Kinzer  
Knutson  
Kopp  
Lankford, Va.  
Leavitt  
Leech  
Lehlbach  
Loofbourow  
Hall, Ill.  
Luce  
McClintock, Ohio  
McFadden  
McGugin

McLaughlin  
Maas  
Magrady  
Mapes  
Martin, Mass.  
Michener  
Millard  
Moore, Ohio  
Mouser  
Murphy  
Nelson, Me.  
Nelson, Wis.  
Niedringhaus  
Nolan  
Parker, N. Y.  
Partridge  
Perkins  
Person  
Pratt, Harcourt J.  
Pratt, Ruth  
Purnell  
Ramseyer  
Ransley  
Reed, N. Y.  
Reid, Ill.  
Rich  
Robinson  
Rogers  
Sanders, N. Y.  
Schafer  
Seger  
Seiberling  
Selvig  
Shott  
Shreve

Simmons  
Smith, Idaho  
Snell  
Snow  
Sparks  
Stalker  
Strong, Kans.  
Strong, Pa.  
Sullivan, Pa.  
Summers, Wash.  
Swick  
Taber  
Temple  
Thatcher  
Timberlake  
Tinkham  
Treadway  
Turpin  
Underhill  
Vestal  
Wason  
Weeks  
Welch, Calif.  
White  
Whitley  
Wigglesworth  
Williamson  
Wolcott  
Wolfenden  
Wolverton  
Wood, Ind.  
Wyant  
Yates

ANSWERED "PRESENT"—1

Woodruff, Mich.  
NOT VOTING—44

Bohn	Freeman	McDuffie	Somers, N. Y.
Britten	Gilbert	McLeod	Stokes
Buckbee	Granata	McMillan	Swanson
Campbell, Iowa	Hogg, W. Va.	Maloney	Swing
Chase	Hopkins	Manlove	Taylor, Tenn.
Cooke	Johnson, Ill.	Martin, Ore.	Thomason
Dyer	Kendall	Montet	Thurston
Eaton, Colo.	Kerr	Overton	Tilson
Fernandez	Kurtz	Pittenger	Watson
Fish	Lea	Quin	Welsh, Pa.
Frear	Lovette	Rutherford	Withrow

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. McDuffie (for) with Mr. Dyer (against).  
Mr. Maloney (for) with Mr. Kendall (against).  
Mr. Montet (for) with Mr. Swing (against).  
Mr. Kerr (for) with Mr. Manlove (against).  
Mr. Somers of New York (for) with Mr. Tilson (against).  
Mr. Overton (for) with Mr. Chase (against).  
Mr. Quin (for) with Mr. Buckbee (against).  
Mr. Thomason (for) with Mr. Fish (against).  
Mr. Martin of Oregon (for) with Mr. Pittenger (against).  
Mr. Fernandez (for) with Mr. Britten (against).  
Mr. McMillan (for) with Mr. Hogg of West Virginia (against).  
Mr. Gilbert (for) with Mr. Welsh of Pennsylvania (against).  
Mr. Withrow (for) with Mr. McLeod (against).  
Mr. Lea (for) with Mr. Hopkins (against).  
Mr. Rutherford (for) with Mr. Watson (against).

Mr. WOODRUFF. Mr. Speaker, I desire to ask if the gentleman from Oregon, Mr. MARTIN, voted?

The SPEAKER. The name of the gentleman from Oregon appears in the list of pairs announced by the Clerk.

Mr. WOODRUFF. Mr. MARTIN and I have a general pair. I voted "nay" on this roll call, but as Mr. MARTIN did not vote I desire to withdraw my vote and vote "present."

Mr. DOUGHTON. Mr. Speaker, my colleague, Mr. KERR, is detained from the Chamber on account of illness. If he were present, he would vote yea.

The result of the vote was announced as above recorded.

#### EXTENSION OF REMARKS

Mr. PURNELL. Mr. Speaker, I ask unanimous consent that all Members who spoke on this resolution may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection?

There was no objection.

#### AMENDMENT TO THE TARIFF ACT OF 1930

Mr. COLLIER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes.



The SPEAKER. The gentleman from Mississippi moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6662, which the Clerk will report by title.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, I reserve a point of order, and if I decide later to make the point of order it will be for the following reason: That bill H. R. 6662 does not comply with provision 2 (a) of Rule XIII, generally referred to as the Ramseyer rule, which reads as follows:

Whenever a committee reports a bill or a joint resolution repealing or amending any statute or part thereof it shall include in its report or in an accompanying document—

(1) The text of the statute or part thereof which is proposed to be repealed; and

(2) A comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions proposed to be made.

I notice from the language of the bill that it amends section 336 of the tariff act of 1930. I do not find in either the report or in any accompanying document any provision that complies with the provisions of the rule.

Of course, I appreciate the fact that if I pressed the point of order at this time I would defeat the purpose of this side of the House by delaying, to a certain extent, some of the legislative proposals which we are very anxious to have considered at this time, but I want to call the attention of the majority to the fact that this is not in accordance with the rules and is subject to the point of order, and the only reason I do not press it at this time is on account of my intense interest to promote the reconstruction program that I am assured will follow this bill.

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Georgia.

Mr. CRISP. I very freely concede that the report does not comply with the provisions of the Ramseyer rule, and when I saw the report at about 12 o'clock to-day—

Mr. SNELL. That was when I first saw it.

Mr. CRISP. I recognized this and proceeded at once to have a new, supplemental report prepared which does comply with the Ramseyer rule, and under the rulings of Speaker Longworth it would be in order to submit this supplemental report the same day that the bill was called up. It was my purpose, if this point of order were made and insisted upon, to move that the House resolve itself into the Committee of the Whole House on the state of the Union for further consideration of the President's message, and that the Ways and Means Committee would immediately be called together to submit a supplemental report.

Of course, I regret this; but we are not the only ones that have overlooked this rule. Frequently in the last Congress, as well as in other Congresses, the gentleman who is now in the minority made the same mistake, as evidenced by the fact that Speaker Longworth ruled that it was in order to bring in such a supplemental report.

I know the gentleman is very anxious to have consideration of the President's reconstruction bill, but no more so than I am or the other Members on this side of the House, and it is the hope and expectation to dispose of this measure to-morrow, hoping we may be able to go ahead on Monday with the other program.

I hope the gentleman will not insist on his point of order, and I think I can assure the gentleman, at least so far as the Ways and Means Committee is concerned, that when any other reports come in they will comply with the Ramseyer rule.

Mr. SNELL. I am pleased that the gentleman from Georgia [Mr. CRISP] has made the statement he has just made, and the reason I shall not press the point of order at this time is because I am so earnestly anxious to get the President's reconstruction finance program before the House and before the country. For this reason I shall withdraw the point of order.

The SPEAKER. May the Chair inquire of the gentleman from Mississippi [Mr. COLLIER] and the gentleman from

Oregon [Mr. HAWLEY] whether there is any disposition at this time to agree upon limiting the time for general debate and providing how the time shall be controlled?

Mr. COLLIER. I would like to ask the gentleman from Oregon whether or not we can agree about time now?

Mr. HAWLEY. If the gentleman from Mississippi [Mr. COLLIER] is agreeable, I suggest that the debate run along without any limit, the time on his side to be controlled by himself and the time on this side to be controlled by myself, the time to be equally divided.

Mr. COLLIER. That will be perfectly agreeable to me, provided we have an understanding that we will vote on the bill before the expiration of to-morrow's session.

Mr. HAWLEY. That is entirely in the hands of the majority.

Mr. SNELL. I think we may have a general understanding that before we adjourn to-morrow night we will vote on this measure.

Mr. COLLIER. That is what I want. I know it is in the control of the majority, but let us see if we can not do this by unanimous consent. It is likewise in the control of one Member or any number of Members to initiate tactics which may prevent that course. I am perfectly willing now, as I have been from the start, to have the widest latitude in regard to debate, but I do want to have it understood that we are going to vote on this bill to-morrow.

Mr. CRISP. Mr. Speaker, would it not be satisfactory to all to agree that we will have general debate to-day, the time to be equally controlled by the gentleman from Mississippi [Mr. COLLIER] and the gentleman from Oregon [Mr. HAWLEY], and to-morrow, when the House meets, pending the motion to go into Committee of the Whole House on the state of the Union for further consideration of the bill, see if we can not agree as to closing general debate? If we can not, then before the House goes into committee it is in order under the rules to move to close general debate. In this way we could have an agreement that to-day's session will be consumed in general debate.

Mr. BANKHEAD. Will the gentleman from Georgia yield, if the gentleman has the floor?

Mr. CRISP. I will.

Mr. SNELL. When the time comes to-morrow we can see if we can not reach an agreement.

Mr. CRISP. Yes.

Mr. BANKHEAD. I would suggest that we fix some hour of adjournment to-day, otherwise it will be difficult to control the division of the time. In other words, I think it should be agreed that debate shall run until a certain hour to-night.

Mr. SNELL. I think it would be rather difficult to fix a definite hour to close to-night.

Mr. BANKHEAD. It will be difficult to divide the time equally unless we do that.

Mr. COLLIER. I will say to the gentleman from Alabama that I understand what he wants, and I suggest we let the debate run along for a while, and then we can figure out how it is best to handle that proposition.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the time for general debate be equally divided and controlled by himself and the gentleman from Oregon. Is there objection?

There was no objection.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6662, with Mr. BANKHEAD in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the title of the bill, as follows:

A bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes.

Mr. COLLIER. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.



The CHAIRMAN. Under the unanimous-consent agreement entered into, debate will proceed under the control of the gentleman from Mississippi and the gentleman from Oregon, each controlling one-half the time. The Chair recognizes the gentleman from Mississippi [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman and ladies and gentlemen of the committee, my good friend the gentleman from Indiana [Mr. PURNELL], in his fiery denunciation of the bill before the House, accuses us of playing politics. I want to say to you, my friends, that I made the statement in the press some time ago that whenever a bill which I believed to be good came before me I would disregard the source from which it came. Furthermore, that I did not believe it to be good party policy, I did not believe it to be good American policy, and I knew that it was not my policy, for the majority in this House to attempt to pile up a great mass of undigested bills which we had every reason to believe from the views of the administration as expressed in his messages would not become a law. On the other hand, we reserved the right, because the party in power had strayed so far from the tenets of good government and what we believe was necessary and essential to the happiness and prosperity of the American people—we reserved the right to bring in these matters of abstract principles which we deemed necessary and essential and let the responsibility rest where it may.

It will not be long before the responsibility will be determined. We take the responsibility for this bill; the responsibility for its failure in other places after it passes this House will be that of the administration and not ours.

We are going to have a tribunal to act on this responsibility in a short time. We are going to have the greatest tribunal in the world to pass on this responsibility, and that tribunal will be the American people in the next November election. [Applause.]

If we wanted to play politics we would have brought in a bill on the tariff which would have embarrassed you. We could take some of the high, prohibitive rates on clothing and wearing apparel and many other articles which would have been of tremendous importance to the people and would have embarrassed you considerably to vote against.

We did not do that. Why? Because we knew that in one end of the Capitol, and because of the administration's attitude, that we would be piling up useless legislation, legislation we could not enact into law. Instead of that we have brought in this bill, and we are surprised that it has met with the comments it has on the other side of the aisle.

I am almost as much surprised as my good friend from New Jersey [Mr. BACHARACH] was when this bill came up in the committee. Notwithstanding the fact that he and I had discussed it for weeks during its consideration before the conference committee on the Hawley-Smoot tariff bill, you would have thought that this was the first time that the gentleman from New Jersey ever heard of these propositions. I was surprised in about the same way when the bill met with the criticism it has to-day.

Mr. MICHENER. Will the gentleman yield?

Mr. COLLIER. I yield.

Mr. MICHENER. The gentleman stated that the rates on clothing were highly prohibitive.

Mr. COLLIER. Oh, I have not the time, and the House has not the time, with the 20,000 items in that bill, to enumerate those different things which have so oppressed trade and prosperity in America.

Mr. MICHENER. Oh, that is not my question at all.

Mr. COLLIER. I am sorry that I anticipated the gentleman.

Mr. MICHENER. The gentleman stated that there was to be a moratorium on friendship until Monday.

Mr. COLLIER. Yes; friendly relations will be resumed next Monday.

Mr. MICHENER. The gentleman has stated that the rates on clothing and other articles he indicated are prohibitive—in substance, that they are injurious to the country. That being true, I ask the gentleman why he did not bring in a bill to remedy those rates as was suggested from the stump he would do rather than bring in a bill that

simply delays action by anyone on those prohibitive rates for months to come.

Mr. COLLIER. The gentleman's question is a pertinent one, but the answer is obvious. The country is now in such a state that it does not make any difference whether the not buy anything no matter what the rate was. That is one answer. Another is because we know on the face of it, by reason of the messages which have come from the Chief Executive, by reason of the complexion of another great legislative body, that that sort of a bill would have no kind of a chance of passing, and we have brought in a bill which we believe will appeal to your intelligence.

Mr. CHINDBLOM. Does the gentleman have any assurance that this bill will become a law?

Mr. COLLIER. Oh, I have seen so many bills become laws in the last two years that ought not to have become laws, and I have seen so many fail that ought to become laws that I do not undertake to prophesy any more; I have quit prophesying. A man can not prophesy during this administration upon anything, because to-day he might be talking about some great manufactory or other industry, and before he gets time to revise his remarks there comes over the wire a telegram that that great industry is in the hands of a receiver. A man does not know how to prophesy, and I am not doing any prophesying.

I want now to go on to some further remarks made by my good friend from Indiana [Mr. PURNELL]. He said that the people are going to be disappointed in this bill. That may be true, but I asked my friend to yield to me at that time and he declined to do so. I simply wanted to ask him Hawley-Smoot bill was going to bring the greatest possible prosperity to this country. He also said that it is sacrilege for a Democrat to tinker with the tariff. I think my good friend if he was as sure of the truth and verity of what he was stating, that the people were going to be disappointed in the bill, as he was sure at the time he made the statement a year and a half ago, or a little over, that the passage of the friend will find, not only in this case but throughout all the ages, that whenever special privileges are given to certain interests, they always think it sacrilege for anyone to have rates are prohibitive or not. The country is broke, and could the effrontery to attempt to take away those privileges. He also stated that the Democratic Party did not have the sense and did not have the experience to legislate in tariff matters. As far as having sense is concerned, we will leave that to the American people, and from the returns which have been received in the last four or five months, as was stated by the gentleman from Alabama [Mr. BANKHEAD], now Chairman of this Committee of the Whole, the people seem to think that the sense of the Democratic Party is all right. Now, with respect to experience, I may say for my Democratic colleagues that perhaps the gentleman in this regard may be right, because the Democrats have never had any experience in these bills which rob the American people. The gentleman from Indiana spoke of the great army of Democrats that are in Washington to-day. They are here to jubilate over the election of a Democratic President next November. We may have an army of Democrats in Washington to-day, but when my good friend was speaking of the great prosperity we have had under this Smoot-Hawley Act, I wondered if it would not have been more comforting and consoling, instead of talking to us about the prosperity and referring to the army of Democratic leaders, I wonder if it had not been more comforting if he had gone out and spoken to that great army of hungry, unemployed marchers who yesterday, under this wonderful prosperity, advanced upon the Capital.

Mr. Chairman, at the outset I want to say that something happened in the Committee on Ways and Means yesterday which I have never seen in that committee during the 18 years that I have been a member. For the first time in the history of at least my legislative experience in the Congress opportunity was given to the minority to participate throughout every stage of the proceedings of a tariff bill. When the Underwood bill was brought into the House, it was taken up in such way that every Member of the minority



had a right and opportunity to offer an amendment. Something over 100 amendments were offered by the minority. That those amendments did not pass was certainly no fault of ours and it was not any fault of yours, it was simply the fault of the amendment. But you had what has been consistently and continually denied to us, an opportunity on the floor of the House to make your record where it would appear in cold print the following day and show the people at home and the American people generally the stand and the motives which actuated you in offering amendments. When we took up the Hawley-Smoot bill after weeks of hearing, the Democrats were then told that their services would be no longer required. Then after three or four weeks, or perhaps longer, in which various subcommittees worked on the bill, a bill that has more than 20,000 items and 694 different sections, it was presented to the committee. We met at 10.30 o'clock in the morning and at 11.30 o'clock of the same morning the bill was passed and we were all out of the committee. Not one line of it was read to the committee and not one member of the minority was given an opportunity to present an amendment to it. When it was taken up on the floor of the House, my friend, the gentleman from Indiana [Mr. PURNELL] who spoke so glowingly of the beauty of the Hawley-Smoot tariff bill, did not have an opportunity himself, and could not, under the rules that you passed, offer an amendment to that bill. They not only deprived every Democratic Member of an opportunity to offer an amendment but they deprived every Republican Member of the House of an opportunity to offer an amendment by the rule which was adopted. Under that rule no one could offer an amendment to that bill save the majority members of the Committee on Ways and Means, and yet, my friends, you should have seen the shocked expression on the honest face of my good friend from Oregon [Mr. HAWLEY].

You should have seen the pained look on the face of my friend "IKE" BACHARACH when we brought in the bill. My good friend from New York, Doctor CROWTHER, was actually bristling. He was ready to go after us. You should have seen the sorrowful expression on the faces of those gentlemen when I told them, speaking for my colleagues, that what we had criticized in the past we did not intend to follow, now that we were in power, and that we invited the minority to sit with us in the hearings during the participation of the bill.

There were a number of amendments offered to this bill in the committee yesterday. There were a number which were adopted and a number which were not adopted. I thank my good friends on the minority side of this Chamber for the way they came and helped us put some of the amendments in this bill. I am willing to give credit where credit is due. This is a Democratic bill and we take full responsibility, but we believe in giving credit, and we thank you gentlemen on the minority side who helped us put some of these amendments in the bill.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. COLLIER. Certainly.

Mr. CHINDBLOM. Would the gentleman be in a position now to tell us what the attitude of himself as chairman of the committee, and of his committee and his party would be in the event they brought out a complete tariff bill, with rates? Will the gentleman then permit the minority to help in framing the bill, the rate structure, and all the administrative features?

Mr. COLLIER. We surely will permit you to do it; but we will not promise to take your amendments, because you fooled the American people by your amendments, and we are not going to let you fool us with them.

Mr. CHINDBLOM. Will the gentleman and his party change the plan which they pursued last time when they did not invite the minority to sit in on the writing of the tariff bill?

Mr. COLLIER. I am only one member of the committee. I can only state what I would do. All 14 of my colleagues on the committee agreed with me yesterday. I do not know whether I will be overruled or not, but I want the country

to know the difference between what we call gag rule and the way that we do things. There is more of a difference, my friends, than you think. Here is a Member on one side who is not permitted to express the views of his constituents in an amendment. When the Underwood bill was being considered, and when we bring up a tariff bill as we will do next year, I say to you members of the minority that no matter how small the minority may be we will give each and every one of you an opportunity to at least express your sentiments and offer any amendment you desire to the bill.

Mr. MICHENER. Will the gentleman yield right there?

Mr. COLLIER. Certainly. I yield.

Mr. MICHENER. The gentleman has just suggested that his party would bring in a tariff bill dealing with rates next year. The gentleman just said that next year his party would bring in a tariff bill. This bill, of course, is in no sense a tariff bill.

Mr. COLLIER. Unless there is a great change in public sentiment in this country the Democratic Party will bring in all sorts of bills next year. [Applause and laughter.]

Mr. MICHENER. That is just the point. I want to know if the Democratic Party will bring in a tariff bill affecting rates, or does it mean that it will do the same thing that it is doing now and bring in a bill which is in no sense a tariff bill?

Mr. COLLIER. I am only one member of the committee. I do not know how many members will be on this side next year, and I can not speak for them, but as one member of the Democratic Party, if I have the good fortune to be a Member of the next House, which, of course, I may not be, no matter what we may bring in, there is one thing we will take out, and that will be this Hawley-Smoot tariff bill.

Mr. MICHENER. Why is it not taken out now?

Mr. COLLIER. How can we? Next year we will be able to take it out. We are going to be over there and we are going to be in the White House, but we are not there now. That is the reason we are not taking it out. [Applause and laughter.] Does that answer the gentleman's question?

Mr. McGUGIN. Will the gentleman yield?

Mr. COLLIER. I yield to my good friend from Kansas.

Mr. McGUGIN. In this bill the Ways and Means Committee has brought in no schedules. Do I understand the gentleman to say that the committee does not intend to bring in any tariff schedules during the present session of Congress?

Mr. COLLIER. Certainly the gentleman did not understand me to say that, because I did not say it.

Mr. McGUGIN. Is that the policy of the committee?

Mr. COLLIER. I do not know what we will do now. We can not, in about 30 days, undo everything you people have been doing for 12 years. We have hardly had 30 days. Give us a little time, brother. Give us a little time. We can not do it all in a day. [Laughter and applause.]

Mr. McGUGIN. At this time the chairman of the Committee on Ways and Means does not want to say whether it will be the policy of his committee to bring in any tariff bill during this session of Congress.

Mr. COLLIER. I do not know. We do not put our policies out in advance. The trouble with you people has been "policy." It is "policy" that has got us into all this trouble now.

Mr. SIROVICH. Will the gentleman yield?

Mr. COLLIER. I yield.

Mr. SIROVICH. One of the gentlemen on the other side accused the Democratic Party of tinkering with the tariff.

Is it not a matter of fact that all the tinkering that was done with the tariff was only done by the Republican side, because all we could do here was to vote against it.

Mr. COLLIER. Yes. We are trying to untinker some of their tinkering if we can do it.

Mr. GREENWOOD. Will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from Indiana.

Mr. GREENWOOD. This bill proposes to deal only with the administrative features of the law and does not close the



doors to the consideration of schedules at any time the committee and the House sees fit, as I understand it.

Mr. COLLIER. The passage of this bill would mean that some rates will be very materially changed. Do not let us deceive ourselves on that.

I have a few more political observations to make, because I understand the truce is to be over next Monday. I want to get them out of my system, and then I will go on and explain this bill.

I was very much amused at the newspaper announcement of my good friend, Mr. SNELL. Now, Mr. SNELL, the minority leader, is a man whom we all like. In talking about the consumers' counsel, the gentleman from New York said that what we needed was not a consumers' counsel but some lawyer who would tell us what was in this bill. As I say, we all like our good friend. He is always likeable; he is always smiling; he is always cheerful; he is always delightful, but he is always wrong. [Laughter.] If he can not understand the plain and simple provisions of this bill—which really in only four essentials differs from the law that he used to so heartily defend upon the stump, but about which, I understand, he is now as silent as the Sphinx of Egypt—then I do not know of any language in which a bill could be put which would enable him to understand it.

Before making any other statements I will give you the essential differences between this bill and the existing law. Under the existing law the Tariff Commission is to report its recommendations to the President of the United States. The President can approve those recommendations, and then 30 days after his approval they go into effect. That approval may mean as much as a 50 per cent increase over the present rates, although the President has the right to approve an increase or a decrease. That section is changed, so that the Tariff Commission upon the request of the President, upon its own motion, or upon the motion of any responsible party in interest may conduct an investigation. Then, after it has made its investigation, it reports to the President and the President reports to the Congress. That is one change. The report is made to Congress instead of to the President.

Then there is another thing. The President is to promptly report to the Congress or send to the Congress the reports he receives, together with any recommendations he may see fit to make. That is the first essential change. What does that mean when it is boiled down? That means that we will be carrying out the provisions and plain intent of the Constitution of the United States, to which no one can object. I am not saying that it was unconstitutional to delegate our authority to the President; but that change means that the reports of the Tariff Commission, after its investigations, shall be referred to the Congress, the representatives of the American people, and not to the President of the United States. [Applause.] That is one change.

Here is another change we make. In section 336 of the existing law there is a provision to the effect that no article now on the dutiable list can by recommendation of the Tariff Commission be placed upon the free list, nor can any article now upon the free list be placed upon the dutiable list. We have repealed subsection (g), I believe it is, of section 336 of the tariff act.

Then what is the third change? The third material change is the appointment of a consumers' counsel.

Mr. CRISP. Will the gentleman yield?

Mr. COLLIER. I yield.

Mr. CRISP. My friend was giving the changes as to the flexible clause, and I think did it well. There was one other change which I thought it might be well for the House to have now. In the formula for arriving at the difference in the cost of production here and abroad we have inserted "efficient production," so as not to permit the tariff to equal the difference in inefficient production, such as production in an obsolete plant, and so on, but that production both here and abroad shall be on a basis of efficient production.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. COLLIER. Yes.

Mr. MORTON D. HULL. When a change is recommended by the commission and reported to the House as well as to the President, is legislative action required to make that change in the law, or does it go into effect in some automatic way?

Mr. COLLIER. It will require action on the part of this Congress to put life into any recommendation made by the Tariff Commission.

Mr. MORTON D. HULL. Under the present law it goes into effect automatically, does it not?

Mr. COLLIER. Oh, no. There have been a great many cases that have not been acted upon at all, and I have a list of a great many here.

Mr. MORTON D. HULL. But the recommendation goes into effect upon the proclamation of the President, does it not?

Mr. COLLIER. It goes into effect 30 days after the proclamation of the President.

Mr. MORTON D. HULL. But under the proposed change action will be required by Congress?

Mr. COLLIER. Yes; the representatives of the people.

Mr. BURTNESS. Will the gentleman yield?

Mr. COLLIER. Yes.

Mr. BURTNESS. Has the gentleman had confidence in the findings of fact made by the Tariff Commission in the past?

Mr. COLLIER. I think the Tariff Commission is an honest commission, and I know nothing to the contrary. I assume they are, and I assume they have done the very best they could, and I have no criticism to offer of the Tariff Commission.

Mr. BURTNESS. As a whole, their findings and recommendations are, in effect, the result of the findings they make following an extensive investigation?

Mr. COLLIER. We have not changed their findings.

Mr. BURTNESS. I understand, but if the gentleman does have confidence in the findings made by a bipartisan commission of that sort I take it he would also have confidence in the conclusions which they reach, and if that is so, does not the gentleman think that the sooner the recommendations made by the commission can be put into effect the better it is for the country in order to do away with the injustice that exists with reference to the tariff schedule they have been investigating?

Mr. COLLIER. I do. That is the reason we brought in this bill.

Mr. BURTNESS. But instead of getting an unjust rate, a rate that is unjust because it is too high or, conversely, one that is unjust because it is too low, changed promptly by the President, would not the enactment of this legislation mean there would often be delay, especially if the recommendation were made soon after the end of a session of the Congress? Would not there be delays of months and months before the change recommended by the commission could go into effect, and would not such delay be harmful to the country rather than helpful?

Mr. COLLIER. I am not going to indulge now in anything humorous or partisan, and I will say to the gentleman that if he will examine the records of cases that the Tariff Commission has reported on since the Fordney-McCumber tariff bill was passed in 1922 and find how many have been acted upon and how many have not been acted upon he will have an answer to his question. I am not here to criticize anyone, especially anyone holding high and exalted positions, and I am not going to do that. I do not know but what there may have been splendid reasons why it was not done; but if the gentleman will do as I have suggested, I think the gentleman will agree with me that the Congress itself is the one to make such changes. After all, who is looking after the business of your district? They sent you here to look after it. When the Tariff Commission makes a report to us, we are the people's representatives and the ones who should act. We have got to come up for reelection every two



years, when our acts and our motives are weighed by our constituents. I think this is a matter that can safely be left to the Congress. I can not see how anyone can object to leaving such matters to the representatives of the people, as is so plainly set forth in the Constitution.

I thought the gentleman was going to follow up his questions with the suggestion that has been made so often—if you have confidence in the Tariff Commission, if you believe that the Tariff Commission is an honest board, why do you want a consumers' counsel?

This does not mean we have no confidence in the Tariff Commission because we provide a consumers' counsel. We have confidence in our judges, but we have people's attorneys in the various States and counties of the Union to look after whose business? To look after the public business, because everybody's business is nobody's business.

When I visualize this matter of tariff making, my friends, every manufacturing industry that comes before the Tariff Commission is animated by selfish desire to get their rates changed. Every producer that comes before them is animated by the same desire; and when they get together, the finest counsel that can be found in the United States represents them. The Tariff Commission in taking up these matters has its mind on many other rates. Now, the individual consumer only pays a few dollars here and there, and he is invisible in the matter. It is true he has the right to appear, but his interest individually is not so great. So when the manufacturer and the producer with their intellectual and powerful counsel come there, I do not care how honest and how strong the Tariff Commission may be, yet, the consumer who has not been represented heretofore ought to have a man there to present his case to the commission; and it is for this reason we provide representation for those who heretofore have never had any representation, because, I repeat, what is everybody's business is nobody's business.

Mr. COLTON. Will the gentleman yield?

Mr. COLLIER. I am pleased to yield to my friend from Utah.

Mr. COLTON. My question refers to the subject matter that the gentleman was discussing a few moments ago. Does the gentleman believe that as a practical proposition you could ever get a bill providing for an increase of tariff passed by the House on an article that is produced in a limited area of the United States? For instance, the gentleman is interested in the production of long-staple cotton, as we in my State are interested in sugar; does the gentleman actually believe, as a practical proposition, you could take either one of those items standing alone and get a bill providing for an increase of tariff passed by Congress?

Mr. COLLIER. I do not know why it could not be if the Congress wanted to do its duty and carry out the recommendation of the Tariff Commission. I am not going to indict this Congress or any future Congress with dereliction of its duty. It would be the duty of the Congress to do it, and why would it not do it?

Mr. COLTON. It has been tried several times and we have always failed.

Mr. COLLIER. When was it ever tried? Ever since I have been a Member of this House there has been a standing rule that no matter what mistakes were made in one of these great tariff bills—and I may say that this rule has operated on my side the same as on yours—no matter what mistake was made in such a tariff measure the rule has been that we would not correct it, because we would be opening up the whole matter again. We have tried to correct that in this measure by putting in an amendment which may or may not do it, because, of course, one Congress can not bind another.

Mr. COLTON. We have tried to lay before the Congress the necessity for a tariff on coal, copper, and oil and other articles, and I may say that we have always been unsuccessful.

But this is the point I had in mind, that if you attempt to change the rates that were established by vote of the majority and—some votes of the minority—if you attempt to change those rates, as a matter of practical common sense

legislation, I think you will find that you can not and will not get through tariff bills which take up items singly and individually.

Mr. COLLIER. Does the gentleman mean to say that Congress will not do its duty?

Mr. COLTON. No; but it will result in doing nothing. Congress will not do it. It is a matter of compromise. Sometimes they yield here and yield there. You can not take it item by item and legislate a tariff bill.

Mr. SIROVICH. Will the gentleman yield for me to ask a question of the gentleman from Utah?

Mr. COLLIER. I will permit the gentleman to interrogate the gentleman from Utah if he does not take too much time.

Mr. SIROVICH. I would like to ask the gentleman from Utah if he would compromise on a fundamental principle?

Mr. COLTON. That is not involved in a tariff bill. It is a question of judgment whether the rates are too high or too low.

Mr. SIROVICH. The gentleman would not compromise on a fundamental principle?

Mr. COLTON. No; certainly not.

Mr. SCHAFER. Will the gentleman yield?

Mr. COLLIER. I yield.

Mr. SCHAFER. I want to see if my understanding of the bill is correct. Our farmers in Wisconsin and our State legislature went on record for an increase in the tariff rates on farm products. Our great malt industries have practically been driven into a position of bankruptcy by reason of Canadian importations. Do I understand that if we ask the Tariff Commission for an increase of tariff, and it conducts an investigation and makes a favorable report to Congress, we would have to wait until the next year to get relief?

Mr. COLLIER. If they made a recommendation when Congress was not in session, the gentleman means?

Mr. SCHAFER. Yes.

Mr. COLLIER. I presume that if they made the report after the Congress adjourned on March 4 they would have to wait until the following December. But let me say to the gentleman from Wisconsin that the reason we bring in this bill is because under this we can secure relief on these rates in many cases more quickly than under the present law. Of course, you can figure out some instance where the commission might make a report just after Congress adjourned, and where it might work some hardship. But our belief is that this is for the purpose of giving quicker relief. I am in sympathy with the gentleman from Wisconsin.

Mr. SCHAFER. Is it not a fact that under the existing law any Member of Congress can request the Tariff Commission to make an investigation and determine whether a rate is too high or too low, and I would like to know, if the gentleman can tell me, how many specific rates the gentleman from Mississippi has requested the Tariff Commission to reduce?

Mr. COLLIER. Does the gentleman want to know how many I have asked for?

Mr. SCHAFER. Yes.

Mr. COLLIER. None.

Mr. SCHAFER. Then the gentleman is not sincere in crying against exorbitant rates when he has had an opportunity to obtain relief.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. VINSON of Kentucky. The gentleman from Wisconsin states a hypothetical case and says that something might happen. I call the gentleman's attention to certain conditions that have actually existed with reference to the recommendations of the Tariff Commission under the present law as to certain commodities used throughout the whole United States, and the President of the United States has failed to act upon them and has not acted to this day.

Mr. COLLIER. And I might say that some of them are agricultural commodities.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.



Mr. O'CONNOR. Is it not a fact that the complaint of the gentleman from Wisconsin that we would have to wait until Congress is in session before we could act on a tariff schedule applies to all legislation of every kind?

Mr. COLLIER. Certainly.

Mr. O'CONNOR. It applies to appropriations, no matter where they may be needed, nor how much, and it applies to Government projects, to taxes, and to everything else.

Mr. COLLIER. Since my good friend from Wisconsin is supposing matters, then let us suppose that one of the bridges over one of the streams, the bridge being very important, in his State should fall down the day after Congress adjourned. It is absolutely necessary to replace that bridge, but Congress has adjourned, and you would have to wait until Congress convened before you could do so. The gentleman could find a great many isolated instances here and there, but we are looking at this matter as a whole. We may be wrong, but we think that we are right.

Mr. SCHAFER. The malt industry is practically paralyzed and if we would have to wait seven or eight months when Congress is not in session, have to wait for Congress to convene and for the House and the Senate to logroll, by that time the malt manufacturing plants will have gone into bankruptcy, and the employees would be out of work.

Mr. COLLIER. There are cases that have been pigeonholed in the executive branch for months and months, and what are you going to do about that? The gentleman asked me a question. Has he gone down there and asked them to take them out? If the matter were referred to the Congress, it would be a privileged matter, and every Member would have a right to call it up.

Mr. SCHAFER. I do not know how many have been pigeonholed.

Mr. COLLIER. I do not use that phrase in any offensive sense, because I assume when the President does not act on one of these recommendations that he has good and sufficient reasons for not acting. A condition exists up there. The gentleman may think the reason sufficient and that the President has proper warrant for not acting, but if the matter were here it would be a privileged matter, and as a Member of the House he would have a right to have the matter considered. What is the industry that the gentleman was talking about?

Mr. SCHAFER. The malt industry.

Mr. COLLIER. Suppose the malt industry should have a report made by the Tariff Commission and it should be sent to the President under existing law, and the President should in his wisdom and judgment feel that the best thing for him and for the country would be to put that report in some pigeonhole and leave it there, what remedy has the gentleman got? Yet if we sent those things to the Congress and the Congress did not bring them up, the gentleman as a Member of the House could get action upon it, that being a privileged matter.

Mr. SCHAFER. Then, since the gentleman criticizes the President for not acting upon some of the reports of the Tariff Commission, would it not be better to amend the bill before us and provide that revision of rates recommended by the Tariff Commission shall be operative until Congress acted otherwise?

Mr. COLLIER. Oh, Congress can never pass a bill unless the Congress is in session itself.

Mr. SCHAFER. The gentleman does not get the point. I suggest that he amend the bill so that if the Tariff Commission after investigation reaches a decision that a certain rate should be lowered or raised its recommendation shall go into effect and shall continue in effect until Congress shall take some other action.

Mr. COLLIER. I want to yield now to the gentleman from Iowa [Mr. RAMSEYER], because I fear the gentleman will think I am angered with him on account of that Ramseyer rule that bothers so many chairmen. I yield to him.

Mr. RAMSEYER. Oh, the gentleman has always been courteous to me. The gentleman from Kentucky [Mr. VINSON] referred to the fact that in some cases the President had not acted on the commission's findings. There are only

two such cases which he referred back to the commission. That amounted practically to disapproval. There are 72 articles which the Tariff Commission had acted upon. Under this bill if it became a law, of course, the Tariff Commission instead of sending the 72 articles to the President to act upon separately would send them to the House. They would go to the Committee on Ways and Means, and that committee would report them to the House. If the committee carried out the spirit of the bill, they would report separate bills and act upon them one at a time. As a practical proposition, with 100 or 200 items coming up a year, does not the gentleman realize that would bring about an unusual blocking of the business of the Congress? Does he think it is practical? I have in mind the same thing that the gentleman from Utah [Mr. COLTON] spoke of. We must consider human nature.

Mr. COLLIER. The gentleman from Utah is interested in a matter that has been hanging fire for a long time before the Tariff Commission. The Tariff Commission made its report on that, too.

Mr. RAMSEYER. The gentleman is presenting a proposition that is impracticable of execution. Right along that line may I ask a question, and then I will desist? As a matter of fact, the Senate directed the Tariff Commission to make a report on copper. The House passed a resolution asking the Tariff Commission to investigate oil. The Tariff Commission has made a report on both of those commodities.

I think they found on copper that the difference in cost of production here and abroad was 2 or 2½ cents a pound. On oil they found it was something like a dollar a barrel. Now, if the gentleman's party believes in the principles of this bill, let me ask the gentleman whether his committee intends to report to the House a separate bill recommending a duty on copper of 2½ cents and a separate bill recommending a duty on oil of \$1 a barrel?

Mr. COLLIER. How can I tell what the House is going to do with reference to the duty on copper?

Mr. RAMSEYER. I am asking about the gentleman's committee.

Mr. COLLIER. Well, I do know what my committee will do. I have not discussed the duty on copper. I never could have in mind a half dozen different items at the same time. That has been the trouble with the Republican Party. You put 20,000 items in one bill, and look at the situation the country is in. We would rather take them up one at a time.

Mr. RAMSEYER. Congress always has done it that way. It is not a matter of the Republican Party or the Democratic Party doing it a certain way.

Mr. COLLIER. Oh, I know we are not quite as bad as the Republicans, but we are not altogether without blame.

Mr. RAMSEYER. Now, there are these reports before the gentleman's committee, and the gentleman's committee can put into operation the very thing he is contending for.

Mr. COLLIER. Does the gentleman mean to ask, if the Tariff Commission makes a report, will we act upon it?

Mr. RAMSEYER. I am asking this question: The Tariff Commission has made a report on copper and a report on oil. Is it the intention of the gentleman, as chairman of the Committee on Ways and Means, to bring out bills carrying out the recommendations of the Tariff Commission as to copper and as to oil?

Mr. COLLIER. I am surprised at the gentleman asking a question like that. Suppose we do it, in view of the President saying he will veto any bill on rates, does the gentleman believe that if we bring out bills affirming that rate or some other rate along with it that they would pass the presidential veto? The President has not said it in exact words, but, in view of his messages along that line and reading between the lines, that is what it means.

Mr. RAMSEYER. There is a greater chance of a bill of that kind becoming a law than there is for this bill now before the House ever getting the approval of the President.

Mr. COLLIER. Well, why does not the Tariff Commission report to the President and let the President put it into effect?



Mr. RAMSEYER. Under the present law he can not do that, because it removes an article from the free list to the dutiable list.

Mr. COLLIER. That is true in that case.

Mr. RAMSEYER. I will not press it any further, but I want to say that the gentleman has an opportunity now with reference to copper and oil to carry into effect the very policy he is contending for.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. COLLIER. I yield.

Mr. LaGUARDIA. I would like to ask the gentleman this question: In the event the Tariff Commission would recommend a decrease in the tariff on steel, and the Committee on Ways and Means reported out a bill carrying that recommendation, would an amendment to reduce the tariff on plows, or any other article manufactured of steel, be germane?

Mr. COLLIER. The gentleman has asked a very pertinent question. What was the illustration the gentleman just gave?

Mr. LaGUARDIA. Let us take leather and shoes, for instance.

Mr. COLLIER. Where there would be a decrease or an increase in the raw material that would be sufficiently large to be reflected one way or the other in the finished product, I would certainly be astonished if the Tariff Commission, when they made their report, did not take all those things into consideration; and if there was a decrease or an increase in the tariff on leather, they would follow that through its various phases and report to the Congress some corresponding increase or decrease on the finished product.

Mr. LaGUARDIA. If I may follow that up, if the gentleman has as much confidence in the Tariff Commission being logical, we would not have a bill like this, but let us assume that the Tariff Commission would recommend a reduction on leather, for instance, and neglected to recommend on shoes; or suppose they recommended a lowering of the duty on sugar and failed to recommend on candy or the products of sugar, what is troubling me is whether this House, or any Member of it, will be precluded from offering an amendment, because I was shocked at the provision of the limitation written into the bill.

Mr. COLLIER. The gentleman from New York has discussed the rules of this House in a very able manner a great many times, and the gentleman knows what the word "germane" is, and it strikes me first that the Tariff Commission would be very derelict in its duty if it took the duty off a raw material and left the finished product as it was; but if the finished product was composed of constituent parts on which we had just raised the duty, I do know as much about germaneness as the gentleman from New York, but if I were sitting in the chair as presiding officer I would declare that that amendment was germane.

Mr. LaGUARDIA. The precedents are against it.

Mr. GARBER. Will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from Oklahoma, and then I will yield to the gentleman from New York [Mr. Celler], and that is all.

Mr. GARBER. My question is purely for information. I am addressing it to the recognized authority of the House.

Mr. COLLIER. I thank the gentleman.

Mr. GARBER. The gentleman was discussing section 3, which creates a consumers' counsel. That appears very plausible in the first instance, but it occurs to me that we have two classes of people. We have consumers and producers. The people of my district are consumers of steel and all the products of manufacture, but at the same time they are producers as well, producers in a diversified agriculture, producers of poultry, eggs, milk, butter, beef, cattle, hogs, cotton, wheat, and oil. Under the provisions of section 3 you provide for a special counsel to appear before the commission, with power to subpoena witnesses and have hearings, in order to specially represent the consumers, but here is a class of people who are equally interested as producers. Now, does not the same reason exist for a producers' counsel as exists for a consumers' counsel, because the pro-

ducers are just as much interested in the preservation of adequate protection for their specified industries as the consumers.

Mr. COLLIER. I do not think so.

Mr. GARBER. Here is the point I want to bring to the gentleman's attention: Take, for instance, the products of the dairy and diversified agriculture. In the great cities of the country there is a demand for lower rates and for cheaper consumption. Who would protect the producers out in the great stretches and vast reaches of the country in adequate rates for their products?

Mr. COLLIER. Well, I will say to the gentleman—and I think the gentleman's experience has been like mine—that while the producers ought to be represented, that whenever a great matter comes before the Ways and Means Committee, ever since I have been a member, in regard to a manufactured product the manufacturers have had the benefit of skilled attorneys. The same is true of agriculture in that they are represented by their organizations. Agriculture should have no fault to find with the manner in which its representations have presented its case to the committee and to the Congress. The difficulty with agriculture lies not in the manner in which it presented its case but the manner in which it was acted upon here in the House after it had been presented. The gentleman knows that as well as I do.

Mr. GARBER. Will the gentleman recognize this distinction which militates against a consumers' counsel greater than it does against a producers' counsel? On a committee you have representatives who are protecting the rights of the people, but on a Tariff Commission you have independent men who are responsible to nobody and who are guided solely by the rules they may lay down. Now they are there and they have no responsibility in protecting the producers.

Mr. COLLIER. I can not go any further, because I have already taken too much time.

Mr. GARBER. Will the gentleman permit me to ask one more question?

Mr. COLLIER. If it is a brief one.

Mr. GARBER. It will be a very brief one and purely for information. The gentleman has emphasized the importance of keeping the power relative to the fixing of tariff rates in the Representatives in Congress. Under section 4 it is provided:

That the President is respectfully requested to initiate a movement for a permanent international economic conference with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices and other economic barriers affecting international trade and finance—

And so on. Is not this a broad delegation of power from the Congress to an economic council influenced by association with representatives of different nations?

Mr. COLLIER. I wish I had the time to answer that question in detail. I would love to show you the situation which exists in this country. There are a great many people in the United States, I want to say to the gentleman, whose opinions are worthy of the highest credence who believe that by reason of the prohibitive and high, outrageous, and unequal rates of the present tariff law we have incurred the hostility of nearly all the world and that the hand which heretofore was held out to us in a friendly grasp is now turned the other way.

The CHAIRMAN. The gentleman from Mississippi has consumed one hour.

Mr. COLLIER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Without objection, it is so ordered.

Mr. COLLIER. We feel we have been incurring the hostility of the nations of the world, and this has resulted in what? It has resulted in retaliatory tariffs which have had what effect? They have had the effect, in part, to decrease our exports nearly \$3,000,000,000. They have had the effect, in part, of decreasing our imports almost as much. One country would get mad with us about something and would pass prohibitive tariff laws whereby we could not sell our exports in that country, and our exports are piling up



in this country. This is what is the matter with the country to-day.

Another thing that these retaliatory tariffs have done is that they have permitted and forced—I will not use the word “permitted”—they have forced American manufacturers to take a few key men from their factories and settle in foreign countries and manufacture with foreign labor thousands and millions of dollars' worth of machinery that heretofore was manufactured in this country, and this has caused thousands of American workmen to be thrown out of employment and to see the work they were doing the year before now being done in foreign countries.

It was for these reasons that we hoped we could bring about some kind of conference among the nations of the earth that would relieve this condition and would abolish these economic measures and would lessen these retaliatory tariffs and bring about friendly trade relations with the United States. This is the reason we incorporated this provision in the bill. [Applause.]

Mr. GARBER. But does that justify such a transfer of the powers of Congress to an economic counsel in foreign countries?

Mr. COLLIER. No economic counsel could do more than agree to submit the suggestions when they got back here, because every tariff law has got to be passed by the Congress of the United States. We have had this provision in practically every treaty; and while I do not mean any disrespect to the gentleman, I thought the gentleman knew that similar provisions had been inserted in such treaties.

Mr. GARBER. But I would like to have the gentleman's interpretation of that particular section.

Mr. COLLIER. That does not give them power to do anything but to get together and make agreements among themselves and try to work out the best thing we can get considering the situation we are in now.

Mr. GARBER. Would that agreement be referred back to the House of Representatives?

Mr. COLLIER. Could any tariff bill be passed unless the House of Representatives passed it?

Mr. CELLER rose.

Mr. COLLIER. I am going to yield now to the gentleman from New York and then I must stop, because I have used more time than I intended.

Mr. CELLER. I thank the gentleman very much for yielding. I just want to get something clear in my own mind and probably in the minds of some of the other Members. I notice in the bill there are stricken out by the committee the last four lines of the bill which authorize the President at as early a date as may be convenient to negotiate with foreign governments reciprocal trade agreements. I noticed in the public prints this morning—and this was the only information I was able to secure up to this time—the reason the committee struck out these lines was that there was a probability or likelihood that such a clause might violate the most-favored-nation clause of existing treaties that we have with foreign countries. May I get some enlightenment on that subject from the gentleman?

Mr. COLLIER. It was partly because it would lead to many controversies and would delay action considerably because we would have to look into all these favored-nation treaties, and it was for that reason we thought it was best to strike that from the bill.

Mr. CELLER. If the gentleman will bear with me a moment, I was interested in this question and looked up some of the Supreme Court cases on this very item, and I find the case of *Bartram v. Robertson*, reported at the October term of the United States Supreme Court in 1886 (122 U. S. 116), which held quite to the contrary; and there are a number of other cases to the same effect, the *Bartram* case being the leading case, and these cases were followed in the various circuit courts of appeal and in the United States district courts, holding that reciprocal treaties, like, for example, the reciprocal treaty we had in 1875 with the Hawaiian Government, did not, because of its reciprocal nature, violate the most-favored-nation clauses in the treaty with Denmark, and

that the Canadian reciprocity treaty which we had from 1852 to 1866 likewise was not violative. Did the committee consider this decision?

Mr. COLLIER. We had that decision before us, and while that may be true, nevertheless it would lead to controversy, and we wanted this measure to go into operation now without getting into any controversy in regard to such matters.

I do not want to be discourteous to any Member. I would love to yield to all, but I have taken up more time than I should have taken. We want to get through with this measure to-morrow. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield to myself 15 minutes. Mr. Chairman and gentlemen of the committee, I intend to comment on the provisions of the bill. There are three matters contained in it. In the first part it destroys the flexibility of the present flexible tariff. It also contains the creation of a new and, I believe, expensive office in the consumers' counsel. The third is the creation of a permanent international economic conference, by which we will inject our trade and tariff affairs into the general affairs of the world.

Much has already been said concerning the provisions of the flexible tariff, and I will not repeat except to make a few comments. Under the present law the Tariff Commission, upon application from an interested party or the Congress, or others, makes an investigation through a corps of experts that have been assembled during a considerable period of time, who are said to be the best-informed people upon the general workings of the tariff in the country.

This corps of experts are sent into the field to ascertain the facts, not wishes; not to subserve any opinions or influence, but to find what are the facts in particular cases.

Having found them from all available sources, traveling around the world in some instances and verifying the information by every available means, they report the facts to the commission. The commission then examines the data so assembled and comes to certain conclusions thereon which it finds justified by its information. This commission consists of six persons, three of one party and three of another party, and is intended to act without reference to political affiliations.

From the information I now have, I have no information that any member of the Tariff Commission so far has acted in a political way. Each has acted on his best judgment.

The commission then reports their findings to the President, and the facts on which they base their recommendations. The President can either approve and put them into effect after 30 days, or he can reject them; or if he believes that action would be injurious to the country under existing conditions, he can let the proposal remain unacted upon. Because some circumstances may change or conditions may alter, the President may not approve. That is a safeguard against doing any injustice to the country or to any producers or consumers.

For instance, the Tariff Commission might make a recommendation for an increase in the duty on a certain commodity that is used for the further manufacture. The President might find from later information that to put that duty into effect without altering the compensatory duty might do an injustice to the further manufacture. Therefore he would decline to approve of the proposed change.

The present proposal is that as soon as the Tariff Commission has made an investigation upon its own motion, the instance of the President, or on request of some interested party it shall be reported to the President and to the Congress, and Congress is not to act until after the President has submitted the proposal, with such recommendations as he may wish to make.

The Congress can not under the pending bill ask the Tariff Commission to make an investigation. It seems that Congress is not sufficiently interested or competent to know when tariff rates ought to be changed. Gentlemen on the other side have urged that all changes be made by Congress. But, as the bill is drawn, it does not allow us to ask the Tariff Commission to make any particular investi-



gation. I would be willing to trust either side of the House to make such a request. The bill is inconsistent. If we have the ability to legislate, we certainly ought to be capable of asking for information.

When the proposal comes to Congress it is to be referred naturally to the Committee on Ways and Means. That committee can act or not act, as it pleases. It may hold hearings or not, as it may wish, but in any event this takes necessary tariff changes out of the hands of an impartial judicial body and puts them into the hands of a political organization, because the tariff will always be a political question in my judgment. At least it has been for 100 years. It puts the tariff back into politics and makes every change a political question.

Mr. SIROVICH. Is it not in politics now?

Mr. HAWLEY. In so far as it was taken out, I mean, by the flexible provision. It takes away that one step that we took to make it a nonpolitical issue. Tariff considerations have always consumed a great deal of time. There is always a conflict of interest between those favoring an increase and those demanding a decrease, and, in my judgment, if the Tariff Commission should send down at any time within a year 30 or 40 proposals to amend the tariff act, if we did anything with them at all that was sensible and well considered it would take a very considerable portion of the time of Congress. Or if the proposed increase in duty was on a commodity used in further manufacture, then several schedules or paragraphs might need to be amended.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. VINSON of Kentucky. How many recommendations were made to the Tariff Commission by the President under the 1922 act, in the eight years of its existence?

Mr. HAWLEY. I have not those figures in mind at this moment. The information is given in the report.

Mr. VINSON of Kentucky. I think it is 56 different reports.

Mr. HAWLEY. Congress is in session about half the time. The President is in session all of the time. Therefore an action upon the report of the Tariff Commission has, so far as time is concerned, twice the opportunity of being considered by the President as compared with the chance of its consideration by Congress. He is one man. He can act on his own initiative as soon as he may wish so to do. Congress is an organization consisting of two bodies, which must act concurrently and exactly agree, with further action by the President approving or disapproving of our action. That is to say, in brief, this proposal will cause infinite delay, great distress in business, uncertainty, and instability of affairs because of a continual agitation in this body upon the question of the tariff. The present flexible provision has been upheld as constitutional by the Supreme Court of the United States, and in that respect we are on certain ground.

The second point is the consumers' counsel. Here there is created an office carrying a very good salary, \$10,000 a year, for some person with a very shadowy duty. There is somewhere, apparently not yet discovered, a body of people called consumers that are hidden from the rest of us, separate and distinct from the general body of the people. We all are producers and consumers. We produce articles to be exchanged with our fellows or render services to others, and in turn we purchase articles made by others or employ their services. We are all consumers and we are producers if we are worthwhile American citizens. Let us take the matter of iron ore. It is made into pig iron, then into malleable iron, and later into steel. Process succeeds process in great number. The first user is a producer and the next is a consumer, and then he becomes a producer and the next in turn is a user, and consequently everyone in turn is alternately a producer and a consumer. Where along the line will this consumers' counsel appear?

Mr. SIROVICH. The ultimate consumer.

Mr. HAWLEY. Who is the ultimate consumer?

Mr. SIROVICH. The public.

Mr. HAWLEY. We, all of the people, are the public. Everyone in the district I have the honor to serve, whether

he raises wheat or hogs or sheep or grain or makes a manufactured article or renders a service, is an ultimate consumer. There is no such thing as an ultimate consumer who is not also a producer, because he must produce in order to consume. Where along the line will this expensive public servant come in? He is to have a staff of officials such as he may wish to select. He is to advise the Tariff Commission about the making of investigations. Since when has anybody found that the Tariff Commission does not understand its own business and does not know where, how, when, and by whom to have the necessary investigations made? Of this great body of ultimate consumers referred to, when has any one of them appeared to you or to the committee or to anyone else to ask for such an official? Who has demanded that they be given this kind of assistance before the Tariff Commission? We heard nothing of that at all. It is a piece of legislation taken out of the blue sky, to create an office that nobody has asked for, nobody has demanded heretofore, and for which nobody has heretofore found any need.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Briefly.

Mr. SIROVICH. If the Tariff Commission is infallible in its findings and in the honor and integrity of getting at facts, why is it necessary for the President to change its finding when he gets this information from the Tariff Commission?

Mr. CHINDBLOM. But he does not change its findings; he has no right to change its findings under the present law.

Mr. SIROVICH. I mean under the old law.

Mr. CHINDBLOM. We are discussing the law in existence now.

Mr. SIROVICH. I am discussing the Hawley rate.

Mr. HAWLEY. The President must approve or disapprove the findings of the commission as they are. He can not change them. The last observation I wish to make concerns the proposed permanent international economic conference.

Mr. MOUSER. Since the enactment of the so-called Hawley-Smoot bill, do the statistics show that the prices to the consumer of foodstuffs, and so forth, have gone up?

Mr. HAWLEY. Under present conditions they have gone down, speaking generally. There may be some exceptions.

Mr. MOUSER. If that be true, why is it necessary to create a \$10,000 job at this time of retrenchment for the employment of the so-called consumers' counsel?

Mr. HAWLEY. The Republicans who voted against the bill found no such necessity?

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield myself five additional minutes.

The last provision in the bill seems to me to be a very dangerous one. Here is a permanent commission. Its character, organization, and powers are sketchy, to say the least. Does it intend that when a person is once appointed to that commission he remains upon it during his lifetime? The bill does not state. Does it mean that if he does not represent the country in the proper way he can be removed? The bill does not state. It does not state how much he shall receive, how long he shall serve, what his powers are, or what the total cost will be.

Representatives from this country are to join the representatives of different nations in a permanent international economic conference. They will set the stage as much as we, and, because of their numbers, probably have a greater influence in determining how that conference shall operate.

The bill contains one worthy provision. I am glad to find one; that is, that our conferees shall not discuss the debt question. The Republican Party is irrevocably pledged not to submit the debt settlements again to consideration, to scale them down, or to rescind them. [Applause.] But let us see what will happen. The conference is to discuss international economic questions. Revenue is an economic question for every state. The sources of revenue are economic questions for every state. The conditions under which trade can be carried on, exchanges of goods, and the settlement of trade balances are economic questions. The payment of



indebtedness is a very painful economic question, I think you all will agree.

There is no question that has so engrossed the minds of the people of Europe as relief from taxation; and the proposal they have in mind, although their governments have never officially presented that to us, is that they can secure relief from taxation by obtaining some arrangement with the United States to either rescind or diminish the payments they are to make to us. Do you think that any European representative sitting in an economic conference with our representatives would courteously abstain from mentioning that most important matter? He dare not. His people demand it. The people of France almost prevented, by their action toward their Premier, the conclusion of certain agreements in which we and the world were very much interested. The people would demand of their representatives, and they in turn would demand of ours, that we take into consideration this debt question. Our members would have to sit there dumb and silent, hearing but not answering. The situation would be intolerable. The Americans would be confronted with arguments and resolutions concerning the debt settlements which they must decline to consider. To make no reply would be considered unkind. Yet, at the same time, it is we who have asked this international conference and set this kind of a stage for the embarrassment of the American people and the American Government. [Applause.]

What is the wisdom of that action? The proposal makes special and repeated mention concerning the making of treaties on trade and tariff. It is to put our trade and tariff questions in the hands of this economic conference. We have always insisted that the protective tariff is a domestic question.

Of course, the United States, by legislation or otherwise, may not agree, but if we invite a conference and then on every proposition which the conference makes we say, "No, no," we isolate ourselves from the rest of the world by the ill-advised action that inaugurated such a condition.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield myself one minute more.

Under present conditions no treaty contains any provision affecting tariff rates. Tariff rates are not included in any treaty, but by this proposal we submit them to the world, and that submission will be made to the organizations of the League of Nations, because they already have an organization like this and need not create another. Thus we enter into a conference with the official organization of the countries of the world, known as the League of Nations, for the consideration of our domestic questions. Our people have consistently opposed our association with the League of Nations.

Washington said, in substance, "Let us mind our own affairs and wish well to all the world." To-day our line of safety with the present condition in the economic world is to continue to mind our own business, which we have so successfully done in years gone by. Americans alone have at heart the best interests of this country and her people. [Applause.]

Mr. CELLER. Will the gentleman yield?

Mr. HAWLEY. I am sorry, but my time has expired.

Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. BACHARACH].

Mr. BACHARACH. Mr. Chairman, ladies and gentlemen of the committee, I would like to say, in the first place, that if there is any merit in this bill this is certainly no time for the Congress of the United States to consider it. This country is going through a terrible period of depression and the adoption of this legislation can only result in retarding the normal functioning of industry. To disturb our tariff law in any manner at this time, to my mind, will be attended with serious difficulties.

As I say, this is a period of depression. We Republicans who were here during the last period of depression, when the great World War was on, did not question what the Democratic President of the United States asked us to do. As a

unit we supported the President of the United States, and to-day I say to you that, in my judgment, even if there is any merit in this bill, it should not be considered at this time.

Now, I want to call attention to some of the things which I do not believe have been considered to-day. This afternoon the gentleman from Oklahoma asked the chairman of the committee with reference to the consumers' counsel. As I view the consumers' counsel, he would represent, if he were named, the consumer. Now, just assume an article such as was mentioned this afternoon—butter—which has received some protective tariff. Naturally the consumers' counsel would not be in favor of the farmer who was producing the butter, but he would be in favor of the consumer.

We import butter from 10 different countries of the world. It is well known that but for the protective tariff that was given in the present tariff law there would be but very little butter produced in this country. At one time we were great exporters of butter. Now that has been taken away from us almost entirely.

I do not want to touch on other matters of an agricultural nature, but I think that shows the uselessness of having a consumers' counsel unless it would be to cloud the issues before the Tariff Commission.

I do not believe there is a Member of this House who believes that if we were to carry out the purpose of this bill there would ever be any tariff adjustments by the Tariff Commission, and we might as well dispose of the Tariff Commission altogether. The existing tariff law would practically be permanent law, because if the Congress of the United States should be forced to act upon the recommendations of the Tariff Commission we would be doing nothing else but discussing tariff on the floor of this House.

I heard the chairman of the Ways and Means Committee say to-day that he had never asked for any action on the part of the Tariff Commission or had he ever initiated any movement to secure any changes in rates by the Tariff Commission. I would like to ask my Democratic colleagues if any of them have ever asked the Tariff Commission to make an investigation covering any schedule or item in this "iniquitous" tariff act, as it is termed by the Democratic Party. I would like to ask any Democratic Member of this House if he has ever, on his own initiative, gone before the Tariff Commission and asked for an investigation to be made by the commission on any items contained in the present tariff law?

Mr. CONNERY. I am happy to inform the gentleman that I went before the Tariff Commission last June and asked for an increase of 50 per cent on shoes, and that 50 per cent was granted by both the Democratic and Republican members of the Tariff Commission. [Applause.]

Mr. CHINDBLOM. But the gentleman from Massachusetts is a Republican on the tariff.

Mr. CONNERY. No. The gentleman will find—

Mr. BACHARACH. I will do the talking in my time. I want to call attention to the fact that on this side of the House there are 220 Members and but one of them states that he appeared before the Tariff Commission to ask for a change in any of the rates contained in the present tariff law, and that one Member, by reason of having a meritorious case, says he secured an increase in the duty on shoes amounting to 50 per cent.

Mr. CELLER. Will the gentleman yield?

Mr. BACHARACH. I will not yield unless the gentleman qualifies.

Mr. CELLER. I qualify in the other way. I appeared before the Tariff Commission in support of a recommendation of the Tariff Commission submitted to the President to reduce the tariff on cherries 50 per cent, which report the President held up and finally returned to the commission asking them to make another report. I asked the Tariff Commission to act on that report again, but they have refused to do so.

Mr. BACHARACH. I am going to take the gentleman's statement at 100 per cent; but I called up the Tariff Commission, and they do not seem to have any record of the gentleman's having requested an investigation.



Mr. CELLER. I have a letter written to Mr. Fletcher, chairman of the Tariff Commission.

Mr. BACHARACH. A letter written to him; but that was not the question. That was not the question I asked.

Mr. CONNERY. Will the gentleman yield?

Mr. BACHARACH. I yield.

Mr. CONNERY. The gentleman certainly has a record of my appearance before the Tariff Commission, because, as I remember, the Associated Press carried the story.

Mr. BACHARACH. If the gentleman had paid careful attention to what I said, he would know that I did not say the gentleman did not appear before the Tariff Commission. The gentleman makes the statement that he did appear before the Tariff Commission, and that is sufficient for me. I take his statement at 100 per cent. However, I do want to say that the Democrats have not taken advantage of their opportunity to appear before the Tariff Commission and ask for an investigation on any item in the law about which they so loudly complain. But they tell us the Tariff Commission is not functioning; that it is not doing anything at all of any value for the people of this country. I have a memorandum here, if I can find it, which shows the number of cases they have handled since the last act was passed. I do not seem able to find the memorandum, and will ask the gentleman from Kentucky to tell me how many cases were handled by the Tariff Commission.

Mr. VINSON of Kentucky. Under the present law 138 different investigations were sought; 39 investigations were made, and rates were increased on 12 commodities and decreased on 17. That is under the 1930 act.

Mr. BACHARACH. I thank the gentleman for the information. Now, my friends, just consider what would happen if we had to handle in this House 100 cases coming from the Tariff Commission, whether to raise rates or lower them. Do you suppose the Congress of the United States could function with reference to any other business? As you all know, tariff matters come from the Ways and Means Committee as privileged matters and would have the right of way over anything else that it might be desirable to bring before the House.

I think this particular legislation is ill-advised; I can not see the value of it, and in addition to that I think it is a mighty poor time for the Democratic Party to be playing politics, when there is so much important business to attend to, in which Members on both sides of the aisle are interested and about which they are just as patriotic. The Democrats are just as patriotic as the Republicans at all times and have always shown it except in connection with this particular matter where they have let partisan politics creep in. Instead of working on piecemeal tariff legislation we should be giving our time to the enactment of a new revenue bill looking towards a balancing of the Budget and the adoption of the Reconstruction Finance Corporation for which the President has pleaded as a means to help the country out of its financial difficulties.

Furthermore, I see no reason why we should allow an international economic council to tell us what tariff rates we should put on American merchandise manufactured and used by American workmen.

I am opposed to this bill in every respect, and in my opinion it should be defeated. At this time it is the plain duty of the Members of the Congress of the United States to stand back of the President and give him the help that he asks for. If we want to play politics, and I suppose we probably will on both sides of the aisle, let us wait until after the June conventions and then let us go to the mat like real people and not try to get through this Congress piecemeal legislation which would be of no benefit to the people who are really in need of the protective tariff.

Mr. SIROVICH. Mr. Chairman, may I ask the gentleman a question?

Mr. BACHARACH. I yield to the gentleman.

Mr. SIROVICH. There is no moratorium on friendship, so far as I am concerned, because I do not know any Mem-

ber on either side of the House for whom I entertain a greater degree of love and respect than you, Congressman BACHARACH; but in fairness to the Democracy on this side, the gentleman asked how many Members on our side went before the Tariff Commission to ask for an increase or reduction of tariff rates. Will the gentleman be kind enough to tell the membership of the House how many Republicans on his side went to the Tariff Commission to ask for an increase or decrease in rates?

Mr. BACHARACH. I will be very pleased to answer that question. The Republicans are in favor of a protective tariff and I know of no Republican Member of the House who because of dissatisfaction with any of the rates of the present law asked the Tariff Commission to make an investigation into the rate on any item or schedule. The Democrats have gone all over the country telling the people what a vicious piece of legislation it is and how high the duties are and how it is affecting the business people of this country. The Republicans have not done this. They have not had any reason to go before the Tariff Commission, because they think, in all fairness, we have a very, very good act in the Hawley-Smoot law. [Applause.] We did not go around the country saying what a vicious law it is and at the same time not have the nerve to go before the Tariff Commission and ask for investigations into rates and then come before the Congress of the United States and say what a terrible Tariff Commission, that justice can not be had through the present commission and the flexible provision of the law under which the President and the commission operates, and for that reason the flexible provision and the usefulness of the commission must be destroyed.

Mr. VINSON of Kentucky. If the gentleman will permit, I want to be technically accurate in my statement to the gentleman. There were 39 reports that went to the President, 17 reduced and 12 increased, and there were 18 recommendations that went to the President under the new law upon which he took no action. There were 57 recommendations in all that went to the President.

Mr. BACHARACH. I thank the gentleman. I have found the statement I had since I asked the gentleman about it, and I shall put the statement in the Record.

The statement referred to follows:

*Summary of activities of the Tariff Commission under the tariff act of 1930*

UNITED STATES TARIFF COMMISSION,  
Washington, January 7, 1932.

#### SECTION 332

Investigations instituted.....	10
Investigations completed.....	7
Investigations pending.....	2
Investigations dismissed.....	1
Surveys published.....	4

#### SECTION 336

Applications:	
Total number of applications received.....	131
Number of applications in response to which investigations have been instituted.....	56
Number of applications withdrawn.....	7
Number of applications dismissed.....	32
Number of applications pending.....	36

Investigations:	
Total number of investigations instituted.....	66
Number of investigations completed.....	39
Number of investigations dismissed.....	9
Number of investigations pending.....	18

#### SECTION 337

Total number of complaints received.....	3
Number of complaints dismissed.....	2
Number of investigations instituted.....	1

#### SECTION 340

Work on the investigation concerning domestic values—conversion of rates has been in progress for about a year and field work is nearing completion.

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. TREADWAY].



Mr. TREADWAY. Mr. Chairman, the haste with which this bill is being crowded to consideration in the House seems to me very unfortunate, because there has been only one real argument made in connection with it before the Ways and Means Committee. The chairman of the Ways and Means Committee requested the appearance of three department Secretaries—State, Treasury, and Commerce. As a result of that request the Under Secretary of the Treasury, Mr. Mills, appeared before the committee yesterday morning and said that in an official way he represented all three of the departments asked to appear. He made a most interesting and illuminating speech, analyzing the bill with great care.

One of the serious drawbacks to considering the bill to-day is the fact that his statement is not before us. I therefore, Mr. Chairman, ask unanimous consent to incorporate in my remarks the address delivered by the Under Secretary of the Treasury yesterday morning before the Ways and Means Committee. I have a photostatic copy of this address.

Mr. BLANTON. Mr. Chairman, I want to ask a question under a reservation of objection. Of course, I am not going to object. What authority, if any, did Mr. Mills give for assuming to represent not only the Treasury Department but the Department of Commerce and the Department of State?

Mr. TREADWAY. I will read to the gentleman the Under Secretary's own words in that connection.

Mr. BLANTON. The gentleman from Massachusetts is quite a profound follower of precedents and the law; is there any law in this Government that permits an Under Secretary of the Treasury to appear and assume to represent three different departments of Government?

Mr. TREADWAY. Let me answer the gentleman, inasmuch as he is taking up a good deal of my time with his questions by reading the very words that Mr. Mills used.

Mr. BLANTON. I am not asking about his words. He, Mr. Mills, has assumed many positions here and then has had to retract some of them.

Mr. TREADWAY. All I can do is to read the gentleman what Mr. Mills said to us:

Mr. MILLS. Mr. Chairman, I understand the Secretary of State will not be present this morning, and I may say I am authorized in a general way to speak for the three departments that have been invited to appear.

In reply the chairman, Mr. COLLIER, said:

I do not know of anyone they could have selected who is more capable. We will be very glad to hear the honorable Under Secretary of the Treasury.

[Applause.]

Mr. BLANTON. Just this further observation under my reserving the right to object: That authority to Mr. Mills came from Mr. Secretary Mellon, who has assumed to speak not only for all 10 departments but for the White House through the administration of three Presidents.

Mr. TREADWAY. I prefer not to have the gentleman make extended remarks in my time, particularly when he refers in a disparaging manner to the distinguished Secretary of the Treasury.

The CHAIRMAN (Mr. McCORMACK). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The testimony before the Ways and Means Committee was as follows:

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON WAYS AND MEANS,  
Washington, D. C., January 7, 1932.

The committee met at 10 o'clock a. m., Hon. JAMES W. COLLIER (chairman) presiding.

The CHAIRMAN. We will continue hearings on H. R. 6662, a bill to amend the tariff act of 1930, and for other purposes. We will be glad to hear you, Mr. Mills, in any way you desire. I had meant to call the Secretary of State first, if he is present in person or by representatives.

Mr. MILLS. Mr. Chairman, I understand the Secretary of State will not be present this morning, and I may say I am authorized in a general way to speak for the three departments that have been invited to appear.

The CHAIRMAN. I do not know of anyone they could have selected who is more capable. We will be very glad to hear the Honorable Under Secretary of the Treasury, Mr. Mills.

STATEMENT OF HON. OGDEN L. MILLS, THE UNDER SECRETARY OF THE TREASURY

Mr. MILLS. Mr. Chairman, I do not know that this committee needs a great deal of advice as to this particular measure, and I am perfectly confident, of course, that such criticisms as I may make will be accepted by the committee in the spirit in which they are made.

The Treasury Department does not approve of this measure and sees no occasion for the enactment of this legislation. I desire to point out, in the first instance, that in the early part of the bill the intent apparently is to deprive the President of such authority as he possesses under the existing tariff law. This bill even goes to the extent of depriving him of the right to request the Tariff Commission to investigate any particular schedule, leaving a situation where any man or group representing a selfish interest may request the Tariff Commission to make an investigation, but the President of the United States, who represents the whole people and who probably has a more comprehensive knowledge than any one individual of economic conditions, at home and abroad, is to be deprived of the right to make this request. It seems to me that is going quite a way, and the necessity of it is not apparent on the face of the legislation, or from any facts which have come to my attention.

In the second place, the first part of this bill, which may be called the administrative part, raises a question which was debated, we all know, at length some two years ago, and it certainly would be a waste of your time to rehash all of the arguments that were urged at that time against the procedure of having the Tariff Commission report to Congress, rather than to the Executive, the latter having authority to make the changes by proclamation. Suffice it to say that in the opinion of the Treasury Department the effect of these provisions is, for all practical purposes, to remove whatever flexibility exists in the present law and to freeze existing tariff rates for an indefinite period of time, or at least until the Congress is prepared to make a general revision. It seems to me that of necessity this must be so; because, if the Tariff Commission reports as to a comparatively minor matter in days such as these, when the Congress is overwhelmed with important business of all kinds, it is hardly likely it will have time to consider a comparatively unimportant schedule. If, on the other hand, the report of the Tariff Commission should involve a question of major importance, or a schedule which necessarily has all kinds of ramifications and affects large sections of the country, directly, or indirectly, it is inevitable not only that it will give rise to prolonged debate, but almost certainly, Mr. Chairman, amendments will be offered amending other sections of the law. And while you have attempted to cover that contingency by a provision which forbids the offering of any amendment not germane to any amendment pending before either House, it can not be denied that you can not bind future Congresses. Nor indeed do I see how you can prevent the offering of an amendment or amendments that would raise the entire tariff question from top to bottom, to the exclusion of all other public business for weeks at a time.

Therefore it seems to me the effect of the first part of this bill is irrevocably to freeze existing tariff rates for an indefinite period of time, make of the Tariff Commission an ineffective body, and remove whatever flexibility there exists under the present system. I say nothing of the provision with reference to the consumers' counsel; but if the Tariff Commission is to be an organization functioning with no markets for its goods, it would seem undesirable to me to increase its overhead expenses by employing an expensive counsel at \$12,000 a year. Indeed, if I may say, Mr. Chairman, without, of course, giving offense, in reading this entire bill, and particularly the first parts of it, I was somewhat reminded of the story, you will remember, of Alice Through the Looking-glass, when she and the Red Queen had been running very fast for a number of minutes. Alice was getting very tired and suddenly noted they were in exactly the same place where they started, and, turning to the Red Queen, said, "In our country, when we run as fast as we have been running and as long as we have been running, we get somewhere." The Red Queen said, "Ah! yours is a very slow country. In ours we have to run very fast in order to stay just where we are." It seems to me, Mr. Chairman, this particular legislation invites us to run very fast to stay just where we are.

Now we come to the section providing for an international conference. I should like to point out that this part of the bill seems to me to be inconsistent with the first part. In the first part all authority is taken away from the Chief Executive, even to the extent of depriving him of the right to request an investigation by the Tariff Commission, whereas in the second part of the bill, where he has to deal with foreign nations and to call an international conference, he apparently is given unlimited authority without any policy whatsoever laid down for his guidance. And whereas the first part of the bill inevitably results in freezing existing tariff rates, the second part of the bill would indicate a desire to change them. But what expectation can we have that other nations will be willing to consider this proposal with an open mind when we ourselves at the very outset have indicated our intention to keep our present tariff structure completely inflexible and unchanged? And I am a little puzzled at the use of the word "permanent" in connection with the word "conference." I do not know what is meant by "permanent conference," unless it be



intended to create a permanent organization to study the whole question of foreign trade and national tariffs in so far as they may constitute a barrier to international trade. But if that be the purpose, Mr. Chairman, there already exists such an organization, operating under the auspices of the League of Nations, which has been in existence for a number of years, which is thoroughly well organized, which works continuously, and which has made available a great mass of detailed information relating to these and kindred problems. It can hardly be expected that the other nations of the world, merely at our suggestion, will create another organization precisely similar in character to duplicate the work of one that is already in existence.

If, however, you do not mean to create a permanent organization—and I do not believe you can, because I see no reason why other nations should cooperate in duplicating work that is already being well performed—but merely to call an international conference, it is a fair question to ask, at the outset, what is the purpose of this conference. Is the purpose of this conference to indicate indirectly that we believe our own tariff rates at present are too high? If that be the purpose, Mr. Chairman, then this body and not an international body is the one to initiate action to reduce them. If the members of this committee and the Members of the House of Representatives, whose constitutional duty it is to initiate tariff legislation, believe that our present tariff structure is too high in the interest of the people of the United States, then I submit it is their duty to act on that belief and not refer this matter, without instructions, to an international body.

Mr. LEWIS. Suppose it was desired to lower our tariffs reciprocally by a quid pro quo proceeding?

Mr. MILLS. If the gentleman will bear with me, I will come to that point in a minute. If, however, that is not the purpose of the committee and of the Congress, but it is our purpose firmly to adhere to the principle upon which the present tariff act is based, namely, that we shall levy tariff duties adequate to cover the difference in cost of production at home and abroad, then it seems to me, in calling this conference and in instructing the President to call it and name delegates, you ought to lay down some such principle for his guidance and for the guidance of others who are to attend this conference.

I do not believe in calling international conferences, Mr. Chairman, unless you know pretty definitely what you hope to accomplish by calling the international conference. And while I have a very distinct impression that tariff barriers in a good many countries are altogether too high and are based on no definite principle save that of excluding to the maximum extent foreign goods—that is not the case in this country—and that those tariffs ought to be reconsidered, it is not clear to me what is to be gained by calling an international conference by this Government, unless this Government decides beforehand what policy is to guide its representatives at such a conference. And may I submit again that in connection with tariff policy, the laying down of such a policy is the duty of the House of Representatives in the first instance, rather than that of the President.

Now, by the action of the committee yesterday, I understand, the last four lines of this bill were stricken out.

Mr. HAWLEY. They were not stricken out; it was only moved to strike out.

Mr. CRISP. Mr. Mills, I offered an amendment, and, of course, we did not act on it in open session, but I stated, frankly, the majority members of the committee were going to vote to strike out and I proposed an amendment, at the request of the majority members of the committee.

Mr. MILLS. I so understood, Mr. CRISP, from the chairman, and that we might, for the purpose of the discussion this morning, consider that the last four lines were out of the bill. But to you I suggest that whatever faults might be contained in those last four lines, with those last four lines in, this bill at least headed somewhere. Personally, I would not have approved of the procedure, I would not have approved of the authority granted, but at least, with those last four lines in, you had a very definite program.

And what was that program? That program was to call an international conference, and presumably on the basis of the recommendation of that international conference the President of the United States was to negotiate separate treaties with different nations and those treaties, when ratified, would have become the law of the land, and willingly or unwillingly the House of Representatives would have been deprived of its right, indeed its constitutional duty, to initiate revenue legislation. Now, it may be urged (and doubtless the gentlemen who drafted the bill had very definitely in mind) that the House of Representatives could not waive such constitutional right. I do not believe it could, save by its own act, but this would have been legislation originating in the House and laying down the principle that after this international conference reciprocity treaty should be negotiated by the President. In other words, in negotiating those tariff treaties he would, under the terms of this bill, have been acting under general legislative authority granted him by the House and Senate. Therefore it might fairly be argued—certainly I should not want to take that risk—that the House of Representatives had deprived itself of the right to pass on those reciprocity treaties, which inevitably would affect tariff rates in this country.

Mr. TREADWAY. Following what Mr. CRISP has just said, there was a little passage between him and the gentleman from Illinois [Mr. CHINDBLOM] in which it was practically admitted those four lines would be restored to the bill when it reached the Senate.

Mr. MILLS. Well, let me suggest that if they are restored a reservation should be made in this bill that has been made in a few bills of a similar character passed in the past, reserving the right of the House to pass on any treaty; in other words, that any treaty amending our tariff rates should not simply be approved by the Senate, but should be made the subject of general legislation.

Now, it appears, Mr. Chairman, that prior to 1890 there were only two treaties, so-called reciprocity treaties, that were actually negotiated and approved—one with Canada, I think, and one with Hawaii. In 1890, under the Dingley bill, a provision was made for the negotiation of treaties with other countries along certain definite lines laid down by the Congress; but of the great number of treaties negotiated under that act, few were subsequently approved by the Congress, showing that in this matter, as a matter of tradition and actual practice, all tariff legislation in this country has really been initiated in the House of Representatives and not by Executive or treaty action, even under general legislative authority.

Now, it is interesting to note, in connection with an act of this character passed in 1903, I think, approving a treaty with Cuba, the following language was used:

"And provided further, That nothing herein contained shall be held or construed as an admission on the part of the House of Representatives that custom duties can be changed otherwise than by an act of Congress originating in the said House."

That reservation was specifically made, and in the last Democratic tariff—the Underwood tariff of 1913—in section 4, paragraph (a), the following language appears:

"Provided, however, That said trade agreements before becoming operative shall be submitted to the Congress of the United States for ratification or rejection."

So that if you are going to restore that section, I think you should put in that reservation so that it can never be claimed, here or abroad, that the House of Representatives has deprived itself of the right to pass on a treaty altering tariff rates.

The general policy involves the respective merits of what I think I may fairly call the American policy of endeavoring, in all possible ways, to see that American citizens or businesses are not discriminated against, but, on the other hand, of according equal treatment to all nations under our laws, as contrasted with the so-called bargaining principle of separate treaties with different nations and unequal treatment of different nationals. Frankly, it seems to me we would be wiser to stick to our historic policy. It has been our policy, departed from only on one or two occasions, to impose such tariff rates as we deem necessary for the protection of our own interests, and then make those tariff rates uniformly applicable to the goods of all countries, rather than by special bargaining seek to give certain countries special advantages as contrasted with others.

I should like in this connection to offer for the record a quotation from a great Republican and progressive, Theodore Roosevelt, and one from the then head of the Tariff Commission contained in the report of the Tariff Commission of December 4, 1918, and signed by Professor Taussig. President Roosevelt said:

"Reciprocity must be treated as the handmaiden of protection. Our first duty is to see that the protection granted by the tariff in every case where it is needed is maintained, and that reciprocity be sought for so far as it can safely be done without injury to our home industries. Just how far this is must be determined according to the individual case, remembering always that every application of our tariff policy to meet our shifting national needs must be conditioned upon the cardinal fact that the duties must never be reduced below the point that will cover the difference between the labor cost here and abroad. The well-being of the wageworker is a prime consideration of our entire policy of economic legislation."

And may I say, Mr. Chairman, at this time I know of no more inappropriate moment to make the reduced purchasing power of the American people available for relieving unemployment abroad, rather than at home, by reducing tariff duties below the point where they cover the difference between the cost of production at home and abroad. Now what did Professor Taussig say—and certainly his views are opposed, I may say, to Republican doctrine; but on the question of reciprocity he agrees with the principle which I have attempted to enunciate this morning. He says:

"Finally, it can not be too much emphasized that any policy adopted by the United States should have for its object, on the one hand, the prevention of discrimination and the securing of equality of treatment for American commerce and for American citizens, and, on the other hand, the frank offer of the same equality of treatment to all countries that reciprocate in the same spirit and to the same effect. The United States should ask no special favors and should grant no special favors. It should exercise its powers and should impose its penalties, not for the purpose of securing discrimination in its favor, but to prevent discrimination to its disadvantage."

That, I think, Mr. Chairman, is sound doctrine.

My general conclusion is that the bill in its present form is most unnecessary and inadvisable, and that there is altogether too much real work to be done at this time to do a lot of running in order to stand in the same place.

Mr. CRISP. Mr. Mills, if this bill should become a law, what would be your reaction to an amendment of this character, that when the Tariff Commission, under the terms of the bill, should report to the President suggesting changes, and the President, under the terms of this bill, should transmit that report to the Congress, for the bill to contain a provision that the recommenda-



tion of the Tariff Commission should go into force and effect and become law, unless within a specified period, say, 30, 60, or 90 days, the Congress should disapprove that recommendation? In other words, we would leave the report of the Tariff Commission effective, unless Congress within a specified time negated that act.

Mr. MILLS. Judge, I think that would be much better than the present provisions; but I have always felt that having laid down certain definite limits within which the Tariff Commission should work, you could obtain greater flexibility—and I think flexibility is needed—by trusting that impartial body and granting the President the necessary authority, rather than coming back to the Congress. I recognize there is real room for a difference of opinion, and there has been in the Congress, but my own opinion is that we can get the necessary and desirable adjustment more readily and without unnecessary risk by relying upon an impartial body such as the Tariff Commission. And if at any time abuses arise, then it will be time enough to deprive them of that power and report everything back to the Congress. The complaint up to the present time has been not that they have gone too far, not that they have done too much, but that they do not work fast enough. Now, when you make the machinery more cumbersome, you of necessity will just get fewer results, rather than more.

Mr. CRISP. Under the existing law, from my viewpoint, the Congress has delegated to the President, within the limits laid down in the law for the Tariff Commission to make this investigation and report to the President, the right for the President by proclamation to make effective the findings by the Tariff Commission by increasing or decreasing tariff duties within a limit of 50 per cent. Congress has no check whatever on that under existing law. Under the plan of this bill, with the proposed amendment about which I asked you, of course that power will be taken away from the President to make effective the recommendation, but Congress then would retain that power; and if it contained that provision, then when it was reported to Congress, if Congress took no action, it would acquiesce and it would be Congress giving its approval to that change. If Congress did not approve it, Congress would still have a check on it and by passing legislation could prevent that recommendation from becoming law, whereas under existing conditions Congress has no power over the matter at all, but it is left to the President.

Mr. MILLS. I fully appreciate the force of your argument and the sincerity of your convictions; but I still feel, Judge, that what we need here is greater flexibility and more expedition, and, to the extent you make the machine more cumbersome, from my standpoint at least, you make it less effective.

Mr. CRISP. I wanted your views, because I respect your opinions.

Mr. DICKINSON. Suppose the four last lines of this proposed bill are left in, could not the President proceed to attempt to modify certain treaties with certain nations that apparently would be in conflict with this provision?

Mr. MILLS. Yes.

Mr. DICKINSON. And thereby bring them in accord, if they could be modified?

Mr. MILLS. Yes; but he can also go a great deal further under this bill as originally drafted. It would not lay it down flatly, because I think it is debatable, but I think the bill is open to the interpretation that it would give the President authority to negotiate a series of bargaining treaties with different countries, altering our present tariff structure, and those treaties might come into effect when ratified by the Senate and without consultation with the House. I certainly should want to see a reservation put in, if the last four lines are to go back, and, knowing as I do the feeling of this committee as to the rights and prerogatives of the House, I believe that will be the feeling of the committee. Certainly there is no objection to putting that reservation in. But I go further. I think if you are going to entrust the President of the United States with such vast authority to deal with foreign nations it is the duty of this committee and of the House of Representatives to lay down the policy which they desire him to follow in negotiating with those nations. And I can not read any policy into this bill; it does not give any indication of what you expect. Do you want him to make bargaining treaties? Do you want him to revise our tariff rates downward? Precisely what is sought to be accomplished by this international conference and these series of treaties? I think not only the President but the country ought to know. That seems to me to be the weakness of this bill.

Mr. DICKINSON. What I was trying to do was to get at your thought about the apparent conflict between these proposed lines and certain existing treaties, as to whether or not they would not seek to modify those treaties.

Mr. MILLS. Well, Judge, I do wish we could ask that of the State Department. I am not sufficiently familiar with the eight or nine treaties which, I understand, are in existence, to say how this bill would conflict with them. If the committee desires definite information as to that point, I think it will be necessary to call on a representative of the State Department.

Mr. DICKINSON. I will just say to the gentleman I was taking it for granted that the witness, Mr. Mills, was speaking for all the departments.

Mr. LEWIS. I am reading from section 4, Mr. Mills. You have just stated that the weakness of the section is, it indicates no policy that the President shall apply. The section reads:

"That the President is respectfully requested to initiate a movement for a permanent international economic conference with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices and other economic barriers affecting international trade and finance, (b) preventing retalla-

tory tariff measures and economic wars, and (c) promoting fair, equal, and friendly trade and commercial relations," and so forth.

Are not those clauses indicative of definite policies that shall be pursued?

Mr. MILLS. I think I would say they are pious aspirations rather than definite policies. In so far as unfair trade practices are concerned, I think there was a conference held under the auspices of the League of Nations in 1927, and a convention was prepared which covered some undesirable practices and, as a matter of fact, signed and ratified by our Government. The real point is, what do we mean by excessive tariffs? Are we referring to our own? Do we mean by the adoption of this legislation that our own tariff rates are excessive? Is that the message that the President of the United States is to carry to other nations? Everyone would agree that excessive rates are undesirable. The great question is in each particular case whether or not rates are excessive.

Mr. LEWIS. Well, do you recognize no retaliatory tariffs as resulting from our last tariff act?

Mr. MILLS. Well, we have certain provisions which impose additional duties if rates on particular articles of commerce are increased in foreign countries—countervailing duties. But I do not think it was intended in any sense as retaliation. We have provisions relating to dumping, but I should look upon those measures as protective rather than retaliatory.

Mr. LEWIS. You are speaking, on our side of the ocean?

Mr. MILLS. Yes.

Mr. LEWIS. Do you recognize no retaliatory tariffs on the other side?

Mr. MILLS. Yes; and I think it is the duty of the President and of the State Department to use all their influence and power to do away with any discrimination that may exist against the commerce of the United States. But the thing that puzzles me about this resolution is that the Congress of the United States is not expressing any opinion as to what the President ought to know when he goes into this conference. What is the attitude of the United States toward its own tariff? That is the first thing we have to determine before we start discussing other tariffs with other peoples. The only specific thing in that section is the reference to governmental debts, and presumably that was put in here because whoever drafted the bill thought that any governmental debts were a barrier to international commerce. I express no opinion as to whether or not they are, but whoever drafted the bill put that in because he must have thought they constituted a barrier. And having recognized them as constituting a barrier, the only definite instruction in the bill is that is one barrier that must not be touched.

Mr. HADLEY. Mr. Secretary, I was unfortunate in missing your original statement, on account of another engagement outside. I am much interested in it. I wanted to ask whether you commented upon the effect of the pendency of a law—as provided in section 4, if enacted, in view of the uncertainty of its meaning and effect and the ultimate action that will be taken under it, as you have just disclosed and discussed—I wanted to ask whether you commented upon the effect that would have on American business if negotiations were pending under section 4.

Mr. MILLS. No; I have not. My objections go deeper. I believe it is the duty of the House of Representatives to lay down, in the first instance, the tariff policy of the United States.

Mr. HADLEY. I recognize that, and that is the ultimate thought I have. But incidentally in the condition we are now in, in this country, how can we ever hope to come out of it and meet the changing conditions otherwise arising, with the pendency of indeterminate negotiations of this kind—if you care to express an opinion upon the effect of it?

Mr. MILLS. Frankly I think they would be so indeterminate, Mr. HADLEY, that they would not constitute a threat.

Mr. HADLEY. Would not what?

Mr. MILLS. I think as the measure stands now they would be so indeterminate that they would not constitute a threat. I have not got the feeling that this bill—drafted as it is at present, with the thought we will just call a conference without any idea as to what we hope we will accomplish by that conference, or without any policy in going into the conference—will get us anywhere. And I, for one, do not want to sit across the table and trade with foreign nations unless I know very definitely, before I sit down, just where I am going and what I have in mind.

Mr. HADLEY. Do you think American capital will seek investment and take the ordinary steps in expansion of business if otherwise might do, facing such a condition as this, until it is determined?

Mr. MILLS. Well, I do not want to go quite as far as that; because I think there is quite a lot to be accomplished by conference in the world to-day as to world problems affecting all nations.

Mr. HADLEY. Yes.

Mr. MILLS. The idea of conferring certainly does not shock me. I think I like the idea, personally.

Mr. HADLEY. Yes; but we now have a definite, known standard of protective rates by existing law. It is proposed here to enact a statute which provides primarily for lowering excessive duties, and, as you suggested, it is not known whether that relates to our own duties or to the duties of some foreign country, or a number of foreign countries, and I assume any man in business would assume that ours were involved with all the rest until it was determined or proposed to strike down duties which may or may not be excessive, according to the judgment of men as they differ. Now, I can not conceive how men who are deeply interested in protective rates are going to proceed to expand and develop business in the face of that. I would regard that, if not a threat, at least as an incumbrance and hindrance.



Mr. MILLS. Well, if I thought the real intention of this bill was to reopen the whole tariff question at this time, I should consider it most unfortunate.

Mr. HADLEY. Well, how can it be otherwise, under the language of this bill, with the view to lowering excessive tariff duties, and so forth?

Mr. MILLS. Because I do not believe that such a conference on any such basis, without a definite policy laid down by the United States, can get anywhere.

Mr. HADLEY. I do not, either.

Mr. MILLS. And unless Congress declares what its policy is, what good does it do for the Executive to negotiate when the Congress ultimately has to approve. I do not think it would get anywhere.

Mr. HADLEY. I do not, either.

Mr. HAWLEY. Mr. Secretary, I would like you to comment upon this proposition in connection with the suggestion made by Judge CRISP. Suppose the Tariff Commission is authorized to put into effect a rate, if, after a certain period of time, Congress has not acted—and that involves the power of the commission that is given here to change articles from the dutiable to the free list and from the free to the dutiable list—would the Supreme Court hold that the failure of Congress to act was assent to the proposed rates? The commission might increase the rates double or treble; they might put an article on the free list now that has traditionally been on the dutiable list. Would the failure of the Congress to act be considered by the Supreme Court equivalent to its assent?

Mr. MILLS. Well, I do not know, Mr. HAWLEY. I have not looked at the decisions for a long time. My impression is that the Supreme Court went a long way in its last decision upholding these flexible provisions.

Mr. HAWLEY. But the Congress had expressed itself as willing, if it fixed 50 per cent lower than a given rate or 50 per cent higher than a given rate, to agree to the rate; that we had before given our express consent to that.

Mr. MILLS. I understand that as soon as you include the free list you go a step further, and whether or not the Supreme Court will go with you or not I do not know.

Mr. HAWLEY. Let me ask another question: The bill provides that upon the application of any interested party, with sufficient reasons presented therefor, it shall consider the difference in cost of production at home and abroad of any domestic article—just one single article. Now, take as an illustration long-staple cotton in section 7 of the present tariff act; articles manufactured from long-staple cotton can be in section 9 or in the sundry list. Now, suppose they make a change in the duty on long-staple cotton, increasing it, we will say, to 14 cents a pound, and it is now 7, what would be the effect upon articles made from long-staple cotton? I take it there could be many instances of this kind cited. They apparently are confined to that one article, if that is all that is asked to be considered, and it might disrupt any schedule unless the compensatory duties or proper arrangements were made in all other schedules affected by that one change; that is, it would necessitate quite a large revision, or general revision, of various other schedules, and might entirely disrupt the tariff arrangements and greatly damage business and industry and dislocate labor engaged in manufacturing articles from long-staple cotton, or any other particular item.

Mr. MILLS. Mr. HAWLEY, you may be right; but Captain Eble and Doctor Turney, who went over these administrative sections of the bill very carefully, in such time as they had—and of course there was not a great deal of time—reported to me that they did not find the changes made from existing law were material, except those intended to accomplish the major purpose of referring the matter back to the Congress. Now, I do not think there would be any such narrow interpretation, Mr. HAWLEY, given to that particular language.

Mr. TURNER. I think Mr. HAWLEY is speaking of Judge CRISP's proposal, rather than this bill.

Mr. MILLS. Are you speaking of the bill as drawn or of Judge CRISP's proposal?

Mr. HAWLEY. Of the bill as drawn.

Mr. MILLS. You did not find anything like that in it, did you?

Mr. TURNER. It is no more true of the proposed bill than it is of the old law.

Mr. CHINDELOM. The language there is the same.

Mr. HAWLEY. But it is true, to this extent at least, that if the Tariff Commission should overlook the fact that a change in a particular item greatly affected other schedules and other industries than the one particularly involved, the President still has the right to deny the increase in rates.

Mr. MILLS. But I can not believe, Mr. HAWLEY, that the Tariff Commission—

Mr. HAWLEY. Under this proposal the President has no such authority.

Mr. CRISP. But Congress has.

Mr. HAWLEY. The Congress might fail to act. As we know, very important legislation frequently dies on the calendar, even where both Houses desire its passage, but in the closing days of a session they are unable to reach it.

Mr. RAGON. Would not this have the highest advancement on the calendar? Would not this take the status of privileged legislation?

Mr. HAWLEY. Yes; but privileged legislation does not always get through both Houses.

Mr. MILLS. Of course, I can not conceive, Mr. HAWLEY, frankly, the Tariff Commission changing the tariff on a raw material and

leaving the manufactured article where it stood before. I think that is too remote a danger to worry about.

Mr. HAWLEY. Do not you know, then, if one article is asked to be considered—take the instance I cited, and, as I said before, there could be numberless instances cited, of long-staple cotton—that where there has been an investigation asked for that, they could consider every other schedule and every other tariff rate affected by it and make a general report on the whole subject?

Mr. MILLS. I think they must of necessity consider the articles manufactured from long-staple cotton that are subject to duty. Mind you, that is my interpretation of the present law. That is one of the reasons why I believe it would be so difficult to refer it back to the Congress, without raising a good many schedules in the law, because it is very rare when you deal with a single article that it does not touch other articles.

Mr. HAWLEY. There is another point in this bill that is connected with this: It provides an amendment from the floor of the House must be germane. Would not an amendment to any paragraph in Schedule 9, or the sundry schedule, which I think is Schedule 16, be in order when an amendment of section 7 was proposed?

Mr. MILLS. Mr. HAWLEY, I am not enough of a parliamentarian to pass on that. I would rather have Judge CRISP's opinion.

Mr. CRISP. I would like to answer that, as to what would be my judgment about it. Take your illustration: If the Tariff Commission was to recommend the change of duties that are to be consistent and equitable and just, they would have to recommend changes in other schedules affecting the raw materials, etc. And when that report came to Congress, if the Ways and Means Committee were going to pass a bill, in that bill would be provisions dealing with all of the schedules that were at all involved in that change, and all of those matters affecting that item, whether they were in 1 schedule or 4 or 5 schedules, would be in the bill and it would be up for consideration. And if the Congress acquiesced in it and the Tariff Commission recommended changes in a different schedule and Congress acquiesced, without taking action all of the changes and all schedules involved in the change would become law, as recommended by the Tariff Commission.

Mr. CHINDELOM. In other words, you are of the opinion those would be germane amendments?

Mr. CRISP. Yes. I think they would be included in the bill, Mr. CHINDELOM.

Mr. CHINDELOM. Let me add right there that they could not be included, even by the Committee on Ways and Means, in a bill based upon the report of the Tariff Commission unless they were germane.

Mr. CRISP. No; but if the Tariff Commission recommends a change in a tariff on some finished product, the reduction of the tariff on some finished product, then, of course, the manufacturer would know about some changes that would be necessary in the cost of his machinery or raw material, etc. All of those things would be set out in the report of the Tariff Commission, and any bill passed would include all of those necessary changes to make effective the recommendations of the Tariff Commission, and they would all be in that same bill before the House at the same time.

Mr. HAWLEY. Suppose what the judge has just stated would happen—but it so occurs that there is omitted some adjustment, by oversight or otherwise, that ought to have been made—would an amendment to take care of that particular item be germane on the floor?

Mr. CRISP. I would say—of course, all human beings make errors—but I would think if there was one omission that was absolutely necessary to carry out the purpose of the recommendation of the Tariff Commission, it would be germane, relating to those particular items involved in that bill, and would be in order.

Mr. CROWTHER. There are one or two questions I would like to ask Mr. CRISP. Suppose the limitation of 90 days were put in and if action was not taken, the legislation automatically would become effective. Now, suppose 88 days of that time are consumed in the House, only permitting two days for action in the Senate, would not that create considerable disturbance?

Mr. CRISP. Mr. CROWTHER, I have thought of that, and it seems to me as tariff measures must originate in the House it might be wise, if you are going to adopt that suggestion, that the House must pass the bill or resolution within a specified time, to prevent the recommendation from going into effect; because tariff legislation must originate in the House. Now, I can see where the Senate might figure that was taking away from them certain powers; but they have not any power anyhow unless the House originates it.

Mr. CROWTHER. That is true.

Mr. CRISP. And practically that sort of provision would not be depriving the Senate of any of the powers which they now have; because, unless the House originates a tariff bill, they can not act.

Mr. HAWLEY. Judge CRISP will recall, I think, that in the consideration of tariff measures the Senate always takes more time than the House.

Mr. CRISP. Yes. It is a body of unlimited debate.

Mr. HAWLEY. Now, the limit on the power might easily run beyond the specified period, while Congress might not be in session.

Mr. CRISP. I have thought of that suggestion.

Mr. CROWTHER. I would like to say to the Under Secretary of the Treasury, Mr. Mills, that I certainly think his suggestion is a fine one as regards the President having a definite policy before entering upon or making any preliminary preparations for an



international or permanent conference. I think the people of the country have an idea we have never emerged from one of those conferences with any great advantage to ourselves. Do you not think it might be possible, unless our representatives went into such a conference regarding tariffs with a definite policy, that they might emerge from that conference, so far as Uncle Sam is concerned, dressed in less clothes than Gandhi wears. I think they would even steal the safety pin. [Laughter.]

Mr. VINSON. Do not you think that is the motivating force behind the inclusion of the language there with reference to the cancellation and reduction of governmental debts?

Mr. MILLS. That is the real reason for putting it in?

Mr. VINSON. Yes.

Mr. MILLS. Yes; I take it, that was the reason for putting it in, but the thing that rather puzzled me was the only trade barrier mentioned was international debts, and then that was the one barrier that was not to be touched.

Mr. VINSON. You refer to it as a barrier. Do not you think the draftsman of that proviso might have been thinking of the burden of international debts being shifted to the back of the American taxpayer?

Mr. MILLS. No. I think it found its place in this bill because of the argument that has repeatedly been made, but which I for one have never acquiesced in, I may say in passing, that foreign debts could not be paid unless the present tariff law was amended. I think it was recognition of the validity of that argument and a determination not to recognize it, that is the reason this provision is incorporated in this bill. There comes the question repeatedly, you know—particularly from Europe. How can you expect us to pay out debts when you won't let us sell you our goods?

Mr. CRISP. I had nothing to do with the drafting of this bill, but I think I know what this provision was put in there for. Under the formula laid down by the President in this conference for negotiating trade agreements and removing tariff barriers, it was put in there that they could not give away or make any change in investments due us for the purpose of getting concessions with foreign governments in tariff agreements. I think it was planned to make those agreements be based on actual trade agreements as to tariff duties and other matters, and not for us to get changes in tariffs by giving up a part of the money that a government owed us under these debt settlements.

Mr. MILLS. In other words, we were not to use any of the blue chips?

Mr. CRISP. Yes. That is what I think it was put in there for. The CHAIRMAN. You stated, as far as section 4 was concerned, by reason of its being so indefinite, and so forth, you could not understand what the intention of the Congress was—the purpose of the Congress was, I believe, were the words you used—for inserting section 4. I want to say there were many purposes which prompted the insertion of that section. There is a widespread belief among the American people, among many whose opinions are worthy of credence, that by reason of certain rates in the tariff act of 1930 we have incurred the hostility of many nations, and this hostility has been reflected by retaliatory tariffs, which have had many disastrous results in this country, one of which—I will not enumerate them all—is to accumulate in the warehouses and other places in this country an immense surplus of both manufactured articles and agricultural commodities, because there is no market for these articles and commodities to date. A glance at the immense and alarming decrease of our exports since this tariff act was enacted—whether it was due to the tariff act or not, this alarming decrease in our exports goes to prove the assertion that whether the tariff act itself was to blame there are piling up in this country great surpluses of manufactured articles and, by reason of this surplus, agricultural products are selling far below the cost of their production. Again, another result of this, I will state, in the opinion of many is that our manufacturers, by taking a few key men with them, have gone abroad and are manufacturing articles which prior to 1930 were made and manufactured in the United States, with the result that, having taken with them only a few of their key men, these manufactured articles are now being made, at least, by employees who do not live in this country, with the attendant result that hundreds of thousands of American employees are now out of employment because of the manufacturing that is being done in other countries. I could go on and illustrate that by the fact that in one town I was in, in one day, I saw two groups selling stocks of a certain American manufacturer in France, and another one was selling stock of a certain manufacturing plant which had gone into Italy because of the fact that the tariff on the articles had been increased 100 per cent, which had made it absolutely impossible for the American manufacturers to hold that market over there by sending the articles from America. The consequence was that plants of the same name as the plant here in America were established in those foreign countries, and the thousands of American workmen who heretofore had been manufacturing those articles were out of employment and joined the great army of four or five or six million men unemployed that we hear so much about, and that work was being done in foreign countries.

Now it was in the hope—we may not reach it, but I will say to the Under Secretary of the Treasury it was with the hope that some of these tariffs which so many of us, and I am one of the number, believe are retaliatory tariffs enacted against us—it was with the hope that by some kind of conference, whether it be a permanent or temporary one, we could get together and relieve the situation, which the Secretary of the Treasury and the Under

Secretary himself knows is reaching an extent in this country that is causing uneasiness and alarm to all thoughtful persons.

I just say to my good friend from the Treasury that what I have stated were some of the purposes which we sought and which we are seeking to accomplish by the insertion of section 4, although we may not be able to accomplish them.

Mr. MILLS. Mr. Chairman, I do not want you to misunderstand me. I am not contending that excessive tariff barriers are not a very real part of the picture in the present dislocated economy of the world. I am not contending some of them are not discriminatory. But I still maintain that, even with the praiseworthy objectives which you have mentioned, the place to lay down the tariff policy of the United States Government is in the House of Representatives and not in an international conference. Now, if you want to lay down your policy, and will tell your representatives what principles they are to follow at that conference, why then some good may come of it. But I dislike the idea of having the tariff policy of the United States initiated at an international conference.

Mr. RAINEY. Mr. Mills, is not this section 4 simply a method of getting at the facts and getting the recommendations of the international conference that may be held in the manner provided in this bill back to the House, so that the House can enact the affirmative legislation?

Mr. MILLS. Mr. RAINEY, if that is the purpose, those results and reports are already available; because they will unquestionably follow the lines taken by two of these conferences that have been had in the course of the last four years.

Mr. RAINEY. I know, but they change overnight their tariffs; they can do it much more quickly than we can, and the effect is disastrous upon our exports, and some of us could think of no other way of doing it except by an international conference of this kind. Of course the tariffs which competing commercial nations are establishing and making higher all the time, some of them have bargaining tariffs and they are bargaining with each other and we are left entirely outside of the wall; even though this bargaining is occurring, none of them are bargaining with us, and we had the thought that this might get us in on this bargaining, so that we would get some benefits out of it for our interests. That was the motive.

Mr. MILLS. Of course the bargaining method I think is a reversal of the traditional policy of this country. It is a very big question.

Mr. RAINEY. We have reversed the traditional policy of this country in the present world crisis. The policies of a hundred years ago do not apply now, and we have the world's condemnation, even of such places as Great Britain.

Mr. MILLS. Mr. RAINEY, even admitting the validity of such a policy, I for one would still insist that the policy to be followed by the delegates of the United States should be laid down by the Congress of the United States.

Mr. BACHARACH. I just want to ask the chairman, speaking of excessive rates, whether the orderly procedure would not be for him at this particular time to complain to the Tariff Commission and ask for a lowering of rates on commodities of his own State, or the raising of them. It would seem to me that would be the orderly procedure and, as far as my observation goes, and as far as my knowledge goes, and I think the witness will bear this out, long prior to the passage of the recent tariff American manufacturers were maintaining plants abroad in all parts of Europe. Probably some few have been started since, but I doubt whether they have been very successful. As I say, it would seem to me that the orderly procedure in this matter would be for Members, who think the tariff is too high or too low, to complain to the Tariff Commission. Then, if they do not give them redress, we are justified in passing a little legislation.

The CHAIRMAN. Does the gentleman address that question to the chairman?

Mr. BACHARACH. I addressed that question to the chairman.

The CHAIRMAN. I would like to say to the gentleman from New Jersey, in regard to my going up there and settling all these great international matters, I appreciate the compliment he has implied by suggesting that I go and take the tremendous responsibility on my shoulders; but I want to say, further, by reason of the tariffs here and there, we have incurred the hostility of other countries to the extent that they have placed prohibitory tariffs on articles which were not raised by the tariff act of 1930, and in which Americans did a tremendous business at the time over there. And where they had those retaliatory tariffs, the purpose of this was—there are two tariffs involved in this, our tariff and the retaliatory tariff that the other nation has placed on our goods, and in order for us to get the retaliatory tariff removed, I do not believe, with all deference to the gentleman from New Jersey, that either the chairman or this committee, or the Tariff Commission would have anything to do with the tariff of Great Britain, France, Italy, or somewhere else.

Mr. BACHARACH. Then, if I understood the chairman correctly, he believes the other tariff countries should settle our tariff laws and tell us what duties we should have on merchandise.

The CHAIRMAN. No. What the chairman believes is this: There have been certain prohibitive rates that never should have been put in the tariff act of 1930, which have so incurred the hostility of other nations that they have picked out in many instances and selected those articles of American manufacture where they thought they could show their retaliation in a certain way, with the result that we here in America have thousands of men out of employment that heretofore were employed, and the further



result that we have surpluses piling up that we can not dispose of.

Mr. LEWIS. Mr. Chairman, I would like to ask a question of Mr. Mills. You speak of a permanent organization, and say if it needs an organization, as a substitute or an additional organization, that the nations are already organized for this purpose. I do not want you to answer this question if you think it requires more consideration; but have you any objection to the United States participating with the existing organization for the purposes of this resolution?

Mr. MILLS. Well, as a matter of fact we have. We attended the conference in 1927.

Mr. LEWIS. As a member?

Mr. LIVESEY. It did not discuss the tariff rates. We attended a world economic conference under the auspices of the League of Nations.

Mr. MILLS. We attended an economic conference under the auspices of the League of Nations in 1927?

Mr. LIVESEY. It was not members of our Government who attended, but their expenses were paid under an appropriation authorized by Congress.

Mr. LEWIS. As a member, to make proposals and receive proposals?

Mr. MILLS. Not officially as representatives of the Government but under an appropriation provided for by the Congress.

Mr. LEWIS. Well, were you there as a full-fledged representative of the United States, as a member, prepared to make proposals, negotiations, and to receive them in turn?

Mr. MILLS. They did make proposals, and they drafted a convention which we subsequently ratified. Certainly, they made proposals, and my impression, subject to later correction, is that they drafted a convention relating to export duties and discriminatory trade practices which subsequently were ratified by our Government. Mr. Livesey shakes his head, but that is my impression.

Mr. LIVESEY. The convention I mean negotiated by the international conference under the auspices of the League of Nations was an import and export prohibition convention. They did not deal with tariff rates.

Mr. LEWIS. Were you there as members, or as observers?

Mr. MILLS. We had representatives there. They were not Government representatives; they were not officially appointed to represent the Government but went there with their expenses paid by an appropriation made by Congress. Subsequently we were officially represented on a committee which drafted the convention relating to import and export prohibitions and certain technical tariff matters—a convention which subsequently was ratified by this Government. But the point is that there is a permanent, full-fledged organization with subcommittees and a permanent staff that is constantly engaged in studying these problems, and that their information has been made available to the international conference in which we participated, and resulting, in one instance at least, in a convention which we have adopted.

Mr. LEWIS. If the Under Secretary can do it without inconvenience and without impropriety by the disclosure of a State procedure, I would like to have filed in the record a statement of the participations and the character of the participations of our Government in this organization to which you refer.

Mr. MILLS. We will be glad to do that. But I may say, Mr. Chairman, in reference to that question and the one asked by Judge Dickinson, that Mr. Livesey, of the State Department, is here now and better prepared to answer these questions as to treaties, conventions, and international conferences than I am.

Mr. WATSON. If your suggestion is serious, to permit the League of Nations to write the tariffs of the world, I would like to suggest that this League of Nations has failed to stop wars up to the present time.

Mr. MILLS. Oh, Mr. WATSON, I never suggested—please bear with me—I never suggested that the League of Nations should write our tariffs.

Mr. WATSON. What did you suggest?

Mr. MILLS. If I suggested anything like that, or anything that remotely resembled it, it was far from my thought. I stated the place to write the tariff act of the United States was in the House of Representatives and not in an international conference.

Mr. WATSON. No; I beg your pardon. You said it would have to be an international conference, and why not let the League of Nations do it? Was not that what you said?

Mr. MILLS. No. Addressing myself to the word "permanent," to create a permanent organization to study international trade problems, I pointed out a permanent organization was already in existence, which was completely organized and made available currently all information on this subject, and I doubted whether foreign nations, simply at our invitation, would be willing to duplicate an organization already in existence to serve that precise purpose. That was directed to the word "permanent" in the bill.

Mr. WATSON. Then if there would have to be a permanent organization, you favor the League of Nations? Was not that it?

Mr. MILLS. No. I am very sorry, Mr. WATSON, but you can not wish that on me.

Mr. WATSON. If we were to permit the United States and Europe to write a tariff bill, then, and fail, why should we have any reason to think that the nations of the world would join an international conference?

Mr. MILLS. I do not know. This is not my bill; I am here opposing it.

Mr. WATSON. So am I; but I am trying to get the information of why you oppose it, so as to make it all the stronger for the people who are already against it.

The CHAIRMAN. We thank you very much for your appearance, Mr. Secretary.

Mr. TREADWAY. Now, coming back to the bill. This is recognized as the first child of the so-called Democratic policy committee. It is not expected that an infant just born shall show much sense or judgment. But the parents of the newborn babe watch its growth and development and look for anything showing intelligence in the little child. The parents seem to be delighted with its development, and if this first-born child is any indication of what we may expect in the future from the Democratic policy committee, the Republican side may safely congratulate the parents of this infant. [Applause.]

It seems to me that there are two outstanding features in connection with this so-called policy bill. The first is the utter lack of necessity for its introduction, and the second is the utter lack of evidence of its merit.

The method in which this bill has been put through reminds one of the old-time hackneyed cry of the Democrats about Republican gag rule. At the hearing on this bill on Tuesday last it was very interesting to be informed that the Republicans would have every opportunity to sit in, offer amendments, and have witnesses and departmental officials attend, but that, irrespective of evidence, irrespective of need, irrespective of anything, the Democratic steam roller was operating, and the bill would be passed practically as introduced before Saturday night. We are now witnessing the rapid accomplishment of that purpose.

Some of us look forward with anticipation to a return of the Republican Party to power in this House. When that happy day comes I hope some of us will not be so forgetful as to overlook the manner in which this bill has come before the House. It was introduced on January 4, hearings completed, the bill considered in executive session, reported to the House, and on its way to passage before Saturday night, January 9—five days from birth to maturity.

Now, I greatly enjoyed the remarks of the gentleman from New York [Mr. O'CONNOR] when he said in effect that this set a precedent for the future in the handling of bills. Well, Members of the House, ladies and gentlemen, if this sets a precedent of the future manner in which a tariff bill is to be handled by Congress, the Lord help us from the gag rule, to which the Democrats so fondly refer when Republicans were reporting a tariff bill requiring two years to prepare and present to this body. Set a precedent, doing away with politics, taking the tariff out of politics! Why, it does nothing but put it into politics from the time the gavel falls in the House until we adjourn, providing you adopt the present bill, which provides that all findings of the Tariff Commission must be referred back to Congress. That is old Democratic stuff when that party was in the minority. Our genial present Speaker fathered that proposition some time ago, and it was buried deep by Republican doctrine where it belongs. That is one way the Democratic Party wanted to get the tariff into politics—introducing the idea that every item must come back to Congress. You will never have freedom from the tariff, no permanency of the tariff law, if that system is to be adopted by Congress.

No; there is absolutely no reason for the introduction of that clause, and there has been no evidence submitted that it should be adopted.

Much has been said about an emergency. There must be a tremendous unknown emergency existing to require our traveling at the rate of speed we are going in passing this bill. Some States have laws governing speed limits. The Democratic policy committee would be arrested in about every State in the Union if it indulged in this sort of speed with its automobiles.

The majority have not considered the merits of this bill, and of course are not expecting to make any arguments in support of it, so possibly it is not up to us to debate the subject at any length. The fact is that very brief debate will care for the merits and very much longer statements would be necessary to show its demerits.



An observation made yesterday by the chairman of the Ways and Means Committee, a part of the record which, of course, is unavailable, was as follows:

What the chairman believes is this: There have been certain prohibitive rates that never should have been put in the tariff act of 1930, which have so incurred the hostility of other nations that they picked out in many instances and selected those articles of American manufacture where they thought they could show their retaliation in a certain way with the result that we here in America have thousands of men out of employment that heretofore were employed and the further result that we have surpluses piling up that we can not dispose of.

Now, our good chairman made that statement extemporaneously. I think if he had stopped to think and exercised the gray matter with which he is so well supplied, he never would have said it. Why, he says, there has been certain prohibitive rates that never should have been put in the tariff act. A few days ago the gentleman from Kansas [Mr. STRONG] and myself asked specifically for answers to the direct question, "What rates in the act of 1930 do you say are too high?"

Have you heard it answered? No. I have been asking that question for a year of these people who tell about the 1930 tariff having too high rates and there has never been any specific reply made to that inquiry. Why? Because if any Member of Congress or any organization has any idea of the rate being too high or too low, he or it can appeal to the Tariff Commission, a fact-finding body. Just a few minutes ago my genial colleague and intimate friend from Massachusetts [Mr. CONNERY] stated that he was the only Member of Congress who had applied to the Tariff Commission, and he got exactly what he wanted. In fact, he got so much in the original 1930 act that he voted for it. He has always been proud of it ever since, and we have been proud of him that he so voted.

Mr. CONNERY. Will my colleague permit an observation?

Mr. TREADWAY. Yes.

Mr. CONNERY. I hope to follow the gentleman in his remarks now, and I am then going to tell him and the Members of the House that I was not glad to vote for that bill, but that I had to vote for that bill to get my tariff on shoes.

Mr. TREADWAY. The gentleman had so much in the bill, that he could not help voting for it, after we gave him so much as we did on the shoe schedule. The gentleman made two applications to the Tariff Commission for changes, one of them on turned boots and shoes of leather not specially provided for. He asked for a decrease from 20 to 10 per cent ad valorem. That was granted. The hearing was held and the date of the proclamation was December 2, and it was effective as of January 1, 1932.

He also asked for a change increasing from 20 to 30 per cent the ad valorem duty on McKay sewed boots and shoes of leather. This also was granted and was proclaimed December 2, 1931, and became effective January 1, 1932. In one he wanted a decrease and in the other an increase, and through the action of the Tariff Commission the two things that he applied for were granted. Still, we are asked by this child of the Democratic policy committee to provide a "consumers' counsel." Who ever heard of such an absurd thing as providing such a counsel? Nobody knows who the consumer is, as the gentleman from Oregon [Mr. HAWLEY] so aptly stated. A Member of the House, irrespective of party, can go before the Tariff Commission and secure a decision absolutely in accordance with his requests, provided they are found to be based upon facts. Is the consuming public being very seriously injured under such circumstances as these? There is another feature that I think we should touch upon: For whom does the American Congress legislate? I would like my Democratic friends to answer that question. I conceive that we are sent here representing the American people, and not some foreign nation that does not like our style of legislation or the kind of laws that we enact. Altogether too much reference and ridiculous statements have been made about our tariff and what it is doing in foreign countries. Let us investigate that a little bit. When

the Smoot-Hawley bill was in conference several foreign countries, I think nearly 20, protested against certain changes that had been suggested through the official channels of the State Department.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HAWLEY. I yield the gentleman two additional minutes.

Mr. TREADWAY. All I shall say in that connection is this, that in spite of such a protest as we speak of, one of the representatives of the Treasury Department investigating tariff subjects abroad was offered a decoration by the Italian Government. That does not show any very great hard feelings on the part of the very country that we raise more duties upon than on any other in Europe. The Swiss Government protested officially against the watch schedule. I claim that our American watch factories can make just as good a timepiece as can be made anywhere in the world, the only difference being that if you want the timepiece combined with a little jewelry for your wife or sweetheart, the hand labor in Switzerland can do it more cheaply than we can. Therefore, I say that when we rewrote the watch schedule and protected American industry, we were doing a duty by the employee and the employer. That we succeeded is evidenced by the fact that in the past six months the number of Swiss watches imported was less than one-quarter of the number imported in the first six months of 1930. That is the whole matter of this international relationship, and until we establish what is our own policy here at home, as Mr. Mills so well said in his testimony before us yesterday, how can we enter into international negotiations having to do with a change in tariff rates?

Mr. VINSON of Kentucky. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, ladies and gentlemen of the committee, it is a real privilege for me to-day to be able for the first time since the passage of the tariff act to express my feelings on the floor of this House with reference to my vote upon that bill and about the situation in respect to the tariff on shoes. When the tariff bill was under consideration I was talking, dreaming, and thinking about shoes all day long—so much so that my distinguished colleague from New York [Mr. O'CONNOR] used to call me Kid Boots, after the character that Eddie Cantor appeared in in a Broadway production. The distinguished gentleman from New Jersey [Mr. BACHARACH] said that he did not see how I could go along with this bill specifically with reference to the provision about an economic conference. I am going along with this bill, and I say to the gentleman and to my dear friend and colleague from Massachusetts [Mr. TREADWAY] that when I voted for the tariff bill I voted for it because after my nine years' experience in Congress I knew that under our present tariff laws the only way to get something for your district was to trade when a tariff bill came up for action. Every time I vote I would like to be able to legislate for the entire American people as well as for my district, but in my time in Congress I have not yet met any Member of Congress who will vote against the interests of his district if he can possibly help it. Naturally the people back home come first in his regard, and that seems to me proper in a Representative.

Mr. McGUGIN. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. McGUGIN. Was the tariff on the gentleman's shoes wrong against the Nation and only of benefit to his district?

Mr. CONNERY. Oh, no. If the gentleman will listen a few moments, I will tell him. This bill which we are considering to-day is the first bill in reference to the tariff that I have seen since I have been a Member of Congress that would allow me the privilege of voting against protection for Andrew Mellon's aluminum trust and the Chemical Trust and other big combines in the United States, and at the same time vote for really meritorious products like pottery, farm products, shoes, and glassware, and other industries which had real cases and were in vital need of protection.



Mr. MCGUGIN. Why does the gentleman not bring in a bill to repeal the tariff on aluminum instead of the bill we are now considering?

Mr. CONNERY. I am not a member of the Ways and Means Committee, but I would certainly be glad of a chance to vote to repeal the tariff on aluminum.

Mr. SCHAFER. Will the gentleman yield?

Mr. CONNERY. If the gentleman will wait a moment, I will be glad to yield.

I voted for the Hawley-Smoot bill because I know what goes on in Congress. When that bill came out of the Committee on Ways and Means it did not contain a tariff on shoes. Do not forget that it was only after pressure was brought by labor in the United States that a tariff on shoes was put back in the bill. Do not forget that when it went to the Senate shoes were put back on the free list again, and then it came back to the House, and in the conference the House stood by its guns, and we got a tariff on shoes.

I make no apologies to anybody in the United States with reference to the case which the shoe manufacturers and workers had before the Tariff Commission or before Congress, a good case, and a good reason why a tariff should be put on shoes. You gentlemen will remember the arguments we used. We had 6,000,000 pairs of shoes a year coming in from Czechoslovakia which were underselling our American products. When I went before the Tariff Commission last June and recommended a 50 per cent increase in the tariff on shoes I explained all of those things to the commission. They put up the tariff 50 per cent on the McKay-stitched shoe and they put it down 50 per cent on the turn shoe. I think that was right. All I ask is that the Congress of the United States be able to legislate, item by item; and when we have the Aluminum Trust before us, which does not need any protection, and to which every housewife in the United States pays tribute, we could vote against it. When we have the Chemical Trust rates before us we could vote against them. When we had the Ohio pottery industry or shoes from Massachusetts or Missouri, or any place else, any industry that had a really good case, we could vote for it. The shoe industry is highly competitive all through the United States, and there are no combines in this industry, because every shoe manufacturer in the United States is in active competition with another manufacturer somewhere.

Mr. TREADWAY. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. TREADWAY. If that question of having a tariff on shoes was submitted to this international conference which this bill seeks to establish and Czechoslovakia is represented there, would the gentleman approve of a tariff being considered by such an international conference?

Mr. CONNERY. Yes. I would allow it to go to an economic conference. That conference has no power to set rates of duty on any commodity. [Laughter.] It must come back to Congress. Congress alone could set rates.

Mr. McCORMACK. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. McCORMACK. I would like to call the attention of the gentleman and the other Members of the House to the fact that we have already had our representative officially representing the United States in an international economic conference called by the League of Nations, reporting to the League of Nations, and the present Republican administration sent official representatives of the United States Government to represent this Government at that conference, when we are not members of the League of Nations.

Mr. CONNERY. We are not bound by anything they do. We will not be bound by anything they do in a conference, as suggested in this bill, unless the Congress passes on it.

Mr. SCHAFER. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. SCHAFER. I agree with the gentleman's position on shoes and leather, but I go a little further. I voted for a protective tariff on products which are not manufactured or raised in my district, because I did not think I could consistently say I would vote for a protective tariff to pro-

tect the workers and industries in my district and not vote for a tariff to protect those in other parts of the country.

Mr. CONNERY. So did I. I would not ask the farm group to vote for a tariff on shoes and leave them out in the cold on their products, and I did not. I voted with them. But I did not like to be obliged to vote for industries which did not need protection in order to get protection for industries which did need it.

Mr. SCHAFER. Now, the gentleman has talked about Andy Mellon's Aluminum Trust and several other exorbitant tariffs. The gentleman exercised his right as a Member of Congress and appeared before the Tariff Commission in favor of an increase in certain tariffs in which he was interested.

Mr. CONNERY. One tariff—the tariff on shoes.

Mr. SCHAFER. And the Tariff Commission granted the gentleman's request.

Mr. CONNERY. They put the rate up 50 per cent on one product and down 50 per cent on another.

Mr. SCHAFER. But it was satisfactory to the gentleman.

Mr. CONNERY. Perfectly.

Mr. SCHAFER. Why did not the gentleman go before the Tariff Commission and ask it to reduce some of the tariff rates of the trusts which he complains about instead of coming here and trying to demagogue on the floor of the House? [Laughter and applause.]

Mr. CONNERY. If I ever had any idea that the Tariff Commission of the United States would reduce the tariff on aluminum, I would have been before them long before this.

Mr. SCHAFER. The gentleman must have had faith in the commission or he would not have taken the time to appear before them asking for a tariff on shoes. Do not beat around the bush.

Mr. CONNERY. The gentleman remembers all about the Coolidge report on sugar, and the gentleman knows how much chance there would be to reduce the tariff on aluminum.

Mr. SCHAFER. I voted for the tariff on sugar and sugar is cheaper to-day than it has ever been in the history of our country. [Laughter and applause.]

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COOPER of Ohio. I feel much pleased that the gentleman from Massachusetts was able to go before the Tariff Commission and get a 50 per cent increase in the tariff on a certain make of shoe. I think they are entitled to it. The gentleman did some fine work and it was fast work. The gentleman spoke about the fight that was made against the tariff on shoes in the House and Senate. How long does the gentleman think he would have had to wait if that question had been left to the House, before he got a 50 per cent increase?

Mr. CONNERY. I will say to my distinguished friend from Ohio who did so much to get a tariff placed on shoes and finished leather that I will take my chances with this House any time on a fair proposition.

Mr. COOPER of Ohio. The gentleman knows the great fight he had to make to get a 50 per cent duty on shoes in this House.

Mr. CONNERY. The gentleman knows also, because the gentleman and I were in his office when that bill came out of the Ways and Means Committee, that the bill came out without any tariff on shoes, and the gentleman knows well how we finally got a tariff on shoes, and it was not due to any sympathy on the part of the Republican administration.

Mr. BLANTON. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BLANTON. I wonder if the gentleman could get our high protective tariff friends on the other side to explain to the country why they have refused continually to give the independent oil companies of the United States a tariff on crude petroleum? My high-tariff friend from New York, Doctor CROWTHER, can not explain that, because his entire committee was in favor of it until Mr. Andy Mellon sent opposition up there and gummed the cards.



Mr. CONNERY. I believe this bill, especially that portion dealing with the consumers' counsel, will help materially in doing away with logrolling. At any rate, I am in favor of giving it a try. It will be well worth while if it will give us a chance to vote our convictions and allow us to legislate for the little fellow who needs protection and free Congress from the influence of the big combines. [Applause.]

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. DALLINGER]. [Applause.]

Mr. DALLINGER. Mr. Chairman, ladies and gentlemen of the committee, I did not interrupt my good friend and colleague from Massachusetts [Mr. CONNERY] because of my very high respect for him. He was one of the Democratic Members who, as he says, "played the game." He did not, when he succeeded in getting a duty upon something that was vital to his district, then vote against the Hawley bill. [Applause.] He made one of the most effective speeches upon the floor of this House in favor of the Hawley-Smoot bill, and in favor of the American system of protection.

My friends, in the old days, when electricity was young, they used to light the streets with arc lamps without any glass protection. Around every one of those arc lamps in the summer time there were always a lot of moths. They seemed to be irresistibly attracted to the light, and at the bottom of every one of those lights you would find a lot of dead moths. Now, there has existed for years a similar attraction toward the indoor sport of attacking Republican protective tariff acts on the part of our Democratic friends.

I remember, when I was working my way through Harvard College, that there occurred the congressional campaign of 1890. The Democrats, true to form, were vehemently attacking the McKinley tariff law. They continued that attack with still greater violence during the presidential election of 1892. They held up the McKinley tariff as a horrible example of the deliberate plundering of the great mass of the people in the interest of "robber barons." Major McKinley, brave soldier of the Civil War, was vilified and abused as an oppressor of the common people, and was cartooned all over the country as a "tool of the trusts." Well, the Democratic spellbinders fooled the people, and Mr. McKinley was defeated in his own district. Uncle Joe Cannon was defeated in his district, and there were hardly enough Republicans elected to the House of Representatives at the presidential election of 1892 to count.

The Democrats had an overwhelming majority in both Houses of Congress and they had the Presidency. They proceeded, true to form, to repeal the wicked McKinley tariff law. They passed the Gorman-Wilson bill, and then just as soon as the people got a chance at them they elected an overwhelming Republican House of Representatives in 1894 and in 1896 they elected William McKinley President of the United States by the largest majority ever given any candidate up to that time. [Applause.]

In 1912, not due to the fact that the people had changed their minds on the question of a protective tariff but simply because the party standing for protection was split in two, a Democratic President was elected and an overwhelmingly Democratic Congress. True to form, like the moths that hovered around the electric lights, the Democratic President called a special session of Congress to repeal the existing Republican tariff law, the Payne-Aldrich Act. The Democrats then passed in place of it a Democratic tariff measure, the Underwood bill. Gentlemen, you know what happened. Just in a few months after that bill had a chance to operate the factories in Mr. CONNERY's district, in my district, and in countless other districts shut down or began to run on half time. It was only because of the great World War breaking out in Europe, causing practically all importations from Europe to cease and giving us practically a prohibitive tariff during that war, that the Underwood tariff law was not able to operate and cause further damage. But every Member of this House will remember that just as soon as the war was over and the men in Europe went back to industry that foreign countries began to dump their goods upon our

shores, and to such an extent that even the Democratic Party had to advocate an antidumping measure. The Fordney-McCumber protective tariff bill, passed by a Republican Congress and signed by a Republican President, was enacted only in the nick of time to save our industries from destruction.

My friends, in that bill, and reenacted in the Hawley-Smoot bill, was the so-called flexible provision authorizing the President on the recommendation of the Tariff Commission to raise or lower existing rates of duty up to 50 per cent. Outside of the McKinley tariff bill there probably has been no law in our history that has been so misrepresented as the Hawley-Smoot bill. As has been stated before in this debate, we have challenged our Democratic friends to point out any schedule that is wrong, and we have said to them that if there is any schedule that is wrong they have their remedy. The object of the present President of the United States in signing the Hawley-Smoot bill and in advocating its passage was to take the tariff out of politics. You have a nonpartisan Tariff Commission, a fact-finding commission. I know the Democratic members of that commission. One of them served in this House with me as a Congressman from the State of Indiana. Have you Democrats no faith in the Democratic members of the Tariff Commission?

Why, my friend the gentleman from Massachusetts [Mr. CONNERY] has stated that he went before that commission and presented his case, and the commission gave him the relief for which he asked. If a duty on aluminum or any other duty in the Hawley-Smoot bill is either too high or too low you have your remedy.

This bill that you are now bringing in and giving the right of way at a time when great, constructive measures recommended by the President and designed to restore the confidence of the American people ought to be here and passed will simply put the tariff back in politics and keep it in politics all the time.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. COOPER of Ohio. At the same time that the Tariff Commission granted this increase of 50 per cent, I believe they reduced duties on other articles that they thought were too high?

Mr. DALLINGER. Most assuredly.

Mr. KNUTSON. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. KNUTSON. If the Hawley-Smoot bill is as vicious as the Democrats have been claiming for the last 18 months, why did they not bring in a bill to repeal it?

Mr. DALLINGER. That is what we all would like to know.

Mr. BLANTON. Will the gentleman yield further?

Mr. DALLINGER. In a moment. Let me again say to my Democratic colleagues, if there is any duty too high or too low that you find fault with, go before the Tariff Commission, which is a bipartisan commission, with as many Democrats on it as Republicans, and if you do not get relief from the Tariff Commission and the President, then come in here through your Democratic Ways and Means Committee and report a bill remedying it. [Applause.]

Mr. BLANTON. Will the gentleman now yield?

Mr. DALLINGER. Certainly.

Mr. BLANTON. Suppose we Democrats, with a majority of five in the House, should bring in a bill to-morrow repealing the duty on aluminum and pass it, what does the gentleman think his Republican Senate would do with it and what does the gentleman think his Republican President would do with it?

Mr. DALLINGER. I will say to the gentleman from Texas—

Mr. BLANTON. The President would veto it and you gentlemen would not help us pass it over his veto.

Mr. DALLINGER. Not at all. I will say to the gentleman from Texas that he should go before this fact-finding commission and present the facts and prove his case and not simply get up here and say that the aluminum duty is too high, just because the gentleman from Texas thinks it



is too high; but when the gentleman has proved his case and the Tariff Commission has recommended it, then if the Republican President does not put it into operation, come here to Congress, secure a favorable report on your bill from the Committee on Ways and Means, and if you can show that the Republican President is wrong, as one Republican, I will be only too glad to vote with you. [Applause.]

Mr. BLANTON. Will the gentleman yield further?

Mr. DALLINGER. Certainly.

Mr. BLANTON. If the Secretary of the Treasury, Mr. Mellon, is strong enough to send his Under Secretary up here before our Ways and Means Committee and give him authority to represent three departments of the Government, does not the gentleman know he would control the Tariff Commission?

Mr. DALLINGER. Absolutely, no.

Mr. PERKINS. Will the gentleman yield?

Mr. DALLINGER. Yes.

Mr. PERKINS. If they admit they can not put through a tariff bill, are they not admitting that this is merely a political gesture?

Mr. DALLINGER. Absolutely. They talk about the President vetoing one of their bills and then bring in this bill that they know that he or any other President having the best interests of the country at heart would veto. Why do they not come in here with a concrete proposition changing such schedules as they consider too high or too low?

Mr. BLANTON. We Democrats will be able to pass one after next November. [Applause.]

Mr. DALLINGER. Now, Mr. Chairman, it has been said by Democratic Congressmen and Senators—we have had them come up to New England and make such statements—that this wicked Hawley-Smoot bill, although they can not point to any single item that is wrong, has caused unemployment. My friends, as a Representative from New England, let me say that if we had not passed the Hawley-Smoot bill when we did, there would be just twice as many men and women walking the streets of New England as there are to-day. [Applause.]

Moreover, this talk about the retaliation of foreign countries is mere buncombe. I know some countries have used that as an excuse for increasing their duties, but as a matter of fact every one of these countries, when they began to get on their feet, were bound to pass tariff laws not only to protect their home industries but also in order to raise necessary revenue.

Mr. McCORMACK. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. McCORMACK. In 1928 the people of the United States were guaranteed prosperity and steady employment if the Republican Party was put in power. Has that promise been kept?

Mr. DALLINGER. I will say to my friend and colleague from Massachusetts that the present world-wide economic depression would have existed no matter what party had been in power. Not only was it not caused by the protective tariff, but if it had not been for the Republican protective tariff, conditions in this country would have been vastly worse. I will call my friend's attention to the case of England. What has happened in the case of England?

Mr. KNUTSON. How about the world?

Mr. DALLINGER. The Conservative Coalition Party advocating a protective tariff, irrespective of any legislation enacted in the United States, because this new English tariff does practically no injury to us, won the recent parliamentary election by an overwhelming majority and now has control of the House of Commons by a vote of 10 to 1. Great Britain, having found out the futility of her free-trade policy, has come at last to see that the policy of protection by keeping the home market for the home producer is the only policy that, in the long run, will make a country great and prosperous. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. FINLEY].

Mr. FINLEY. Mr. Chairman, in the early days of this session, our friends on the south side of the aisle seemed to

have just one purpose in view, and that was to hurl their thunderbolts at protection in general and the Hawley-Smoot bill in particular.

When I listened to the rounded periods of denunciation of these two, when I heard them denounced, abused, villified, and ridiculed, and when I heard the moanings and the groanings and the cryings out, I felt certain that the old Democratic mule was in labor and travail.

Mr. PERKINS. Does not the gentleman from Kentucky know that mules do not travail? [Laughter.]

Mr. FINLEY. Perhaps I am wrong, but if the gentleman will follow me I will explain. I was right in my supposition that it was in travail. I supposed that the outcome would be a free-trade Democratic mule colt, but in that I was mistaken, for what really came forth was a mooncalf.

Does this bill look like a free-trade Democratic mule colt? What is there in it that resembles the denunciations hurled at the Smoot-Hawley bill or the promise that as soon as they got the power they would wipe it off the statute books? I will drop it at the feet of those who are responsible for it. [Laughter.]

Mr. CONNERY. Will the gentleman state what a mooncalf is?

Mr. FINLEY. If the gentleman will read more and talk less, he will know almost as much as I do. [Laughter.] That bill starts nowhere, aims in no particular direction, and stops before it gets there. [Laughter and applause.] This thing, this abortion, is without beginning of days or end of time. It has no pride of ancestry or hope of posterity. [Laughter.] What is it? It is the outcome of incest. [Laughter.]

It is repudiated by the Democratic press of the country, and, if you do not believe it, read the columns of the Louisville Courier Journal of yesterday. Every Democrat of prominence in the country is ashamed of it, and I believe, as a matter of that, the Members on that side of the aisle are ashamed of it.

But, my Republican colleagues, do not get the idea into your heads that there is not something in that measure. There is. Back yonder in the days when Grover Cleveland held his first term of office much the same conditions prevailed as prevail now. Cleveland was President, and there was a large Democratic majority in the House, but the Senate was Republican. You might ask the question why those Democrats in that day passed the Mills tariff bill, which they did.

Have the Members on the south side of the aisle grown less earnest in their devotion to the free-trade theories of John C. Calhoun than those were back yonder in the days of Grover Cleveland? Is that the trouble? Have they lost courage? Is that it? Are they unwilling to have the people of the country understand and know what their policy is on the tariff question? What do you propose to do? Is there any declaration there whether you would increase or diminish rates? Are you for protection or are you for free trade? The difference is this: Back in the days of Grover Cleveland there was no wet and dry issue. Now there is. The gentlemen on the south side of the aisle know—

Mr. BLANTON. The east side.

Mr. FINLEY. Is it the east side?

Mr. BLANTON. Yes; we are in the east here in the House.

Mr. FINLEY. You belong south, that is where you belong. You are southern in all your practices and theories, and I insist on saying that you are on the south side.

Mr. BLANTON. The main presiding ones are always in the east.

Mr. FINLEY. Not always. There was no wet and dry issue back in the days of Grover Cleveland, but there is now. A whole lot, or at least quite a number, of the great industrial States are supposed to be wet. Just analyze that, and think for a moment. Why does not the Democratic Party in this bill come out as strong and vigorously as they did back yonder in the early days of the session, denouncing the Hawley-Smoot bill, and practically committing themselves to the policy of free trade? The purpose of this bill is not economic; it is political.



They dare not go into this campaign, into the next presidential campaign, and that is what the bill is intended for, proclaiming themselves free traders, or for tariff for revenue only, and all that sort of thing. They have juggled and jiggled with the difference between tariff for revenue only and free trade ever since I can remember, but they dare not go into the campaign with such a bill as everything indicated they would bring forth, and why? Because they would lose those industrial States, and they understand that. By this bill that they have brought forth they impugn the sincerity of every speech made on the south side of the Chamber in the early days of the session. How can you expect the people of this country who have read the CONGRESSIONAL RECORD, who have read what you said, to impute anything like sincerity to your practices now in what you put forth?

Mr. BLANTON. Will our antimoonshine friend yield for a question?

The CHAIRMAN. The gentleman declines to yield?

Mr. FINLEY. Oh, you have been on your feet so much that you have worn yourself off to the knees. [Laughter.] Let us not delude ourselves about the purposes of this bill. It is not economic; it is not legislative. It is political, and when they bring in this mooncalf, this monstrosity, upon the floor and ask the people of the United States to accept that as Democratic policy, they are, as I said a moment ago, casting doubt upon the sincerity of every speech made on that side of the aisle in the early days of the session. [Applause on the Republican side.]

Mr. RAGON. Mr. Chairman, I yield 20 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, ladies, and gentlemen, as a Representative from a Kentucky district I trust that I shall proceed in good taste. It was a source of genuine regret to hear Mr. FINLEY in his waving of the red flag of partisanship common to the post-bellum days. Knowing the conditions that prevail in the district of the gentleman who has just preceded me [Mr. FINLEY], I am astounded that he could defend the Smoot-Hawley tariff bill or his party for acts, either of omission or commission, that have so detrimentally affected his district. He represents a great coal district. Its money crop is coal. This great industry in Kentucky is paralyzed, lying prostrate at the feet of Andrew Mellon and the Pennsylvania coal interests, with thousands of the constituents of the gentleman who has preceded me at this moment hungry for work and food.

Mr. FINLEY. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I am in the same position that the gentleman was in that respect. I refuse to yield. The gentleman from Kentucky refused to yield to many who sought this courtesy from him.

Mr. FINLEY. I want to say to the gentleman—

The CHAIRMAN. The gentleman declines to yield.

Mr. VINSON of Kentucky. I yield to the gentleman, Mr. Chairman.

Mr. FINLEY. I do not know what the gentleman refers to, but I would like to have it stated.

Mr. VINSON of Kentucky. From the time the gentleman took the floor, with the exception of one statement, he declined to yield. I yield to the gentleman, and if I am incorrect in my statement that there are thousands of people in the mountains of Kentucky, in your own congressional district, who are to-day hungry, then explain to the Congress why martial law has recently prevailed in Harlan County, Ky., and why 700 striking miners this week paraded in another county in your district—Bell County.

Mr. FINLEY. Will the gentleman permit me to reply?

Mr. VINSON of Kentucky. I yield.

Mr. FINLEY. To ask the gentleman if that is the only district and the only section of the world in which conditions like that prevail, and whether they charge to the protective tariff the depression in Great Britain, in Italy, in Germany, in Europe, in Asia, Africa, Australia, New Zealand, and all the rest of the world.

Mr. VINSON of Kentucky. It applies to every district in Kentucky, and I dare say to every district in the United States of America. Why, my friends, the acts of the Republican administration working through the power of Mr. Andrew Mellon, of Pittsburgh, with the Interstate Commerce Commission has paralyzed the coal industry in Kentucky. The unprecedented packing of the Interstate Commerce Commission to protect the Pittsburgh coal willfully and with malice aforethought did kill and murder this great industry in Kentucky. It took only the Smoot-Hawley bill to finish the job for the rest of the folks, and the great county of Harlan that formerly returned majorities of eight and ten thousand for Republican candidates in the November election last was found in the Democratic column.

In my opinion his constituents would regret that he occupies the same old stand-pat position to-day that he has occupied from the days of his youth. The Civil War was fought more than 66 years ago. Kentucky is progressive. Her people will not stand still and be crucified by antagonistic economic policies without protest.

Mr. McGUGIN. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. McGUGIN. I understood the gentleman to say that the Hawley-Smoot tariff bill aggravated the situation in the coal fields of Kentucky. If so, why did the gentleman not bring in a bill that would correct that situation and not allow that deplorable condition to continue for another two years?

Mr. VINSON of Kentucky. Gentlemen of the House, I do not think that requires an answer. However, I will refer to it somewhat later in detail. But if the Republican Party intended to operate under a Tariff Commission that is so impartial, so fair, and so accurate in its findings, why did they bring into the Congress of the United States the Hawley-Smoot bill at all? Why did they not apply to the Tariff Commission for relief instead of coming here and passing that bill? [Applause.]

Mr. McCORMACK. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. McCORMACK. May I remind my colleague that in 1928 the people of the United States received the solemn pledge from the Republican candidate for President that he would call a special session of Congress for a limited revision of the tariff for the purpose of aiding agriculture, and that that promise was broken by the passage of the most general revision of the tariff bill upward in the history of our country.

Mr. VINSON of Kentucky. I thank the gentleman from Massachusetts for his contribution.

I decline to yield further for the time being.

Members of the House have made the statement that if this law is written on the books Congress will be surcharged with the recommendations of the Tariff Commission. I think we should be fair. During the eight years which the Tariff Commission operated under the 1922 tariff act—I give you official records—there were 603 applications made to the Tariff Commission for revision of the tariff. There were 56 recommendations sent by the Tariff Commission to the President of the United States. The President acted upon 38 of those. He gave an increase in the tariff rate on 33 and a decrease in 5. There were 18 of those recommendations upon which the President took no action. It is a surprising thing that in the recommendations of the Tariff Commission approved by the President in which decreases were allowed we find such standard general commodities as bob-white quail, paintbrush handles, cresylic acid, and phenol.

If 56 recommendations were the output of the Tariff Commission over a period of eight years, an average of seven per year, and the President of the United States only acted in 38 instances, how can it be said that the Congress of the United States would be flooded and that all its time would be taken up in the handling of tariff matters?

Under the 1930 tariff bill there have been 138 applications for investigation. There have been 39 recommendations made to the President, with 12 increases and 17 decreases.



These figures are taken from the report of the Tariff Commission itself.

With the permission of the House, I insert the following tables relative to the Tariff Commission and its work:

*List of subjects with respect to which the President has proclaimed changes in duties, under the provisions of section 315 of the tariff act of 1922*

Article	Change in duty	Date of proclamation	Effective date of change
Wheat.....	Increased from 30 to 42 cents per bushel (60 pounds).	1924 Mar. 7	1924 Apr. 6
Flour, semolina, etc.....	Increased from 78 cents to \$1.04 per 100 pounds.		
Millfeeds, bran, etc.....	Decreased from 15 to 7½ per cent ad valorem		
Sodium nitrite.....	Increased from 3 to 4½ cents per pound.	May 6	June 5
Barium dioxide.....	Increased from 4 to 6 cents per pound.	May 19	June 18
Diethylbarbituric acid (veronal).	Increased; duty (25 per cent ad valorem) transferred to American selling price.	Nov. 14	Nov. 29
Oxalic acid.....	Increased from 4 to 6 cents per pound.	Dec. 29	1925 Jan. 28
Potassium chlorate.....	Increased from 1½ to 2½ cents per pound.	1925 Apr. 11	May 11
Bob-white quail.....	Decreased from 50 to 25 cents each (valued at \$5 or less each).	Oct. 3	Nov. 2
Taximeters.....	Increased from \$3 each plus 45 per cent ad valorem on foreign value, to \$3 each plus 27.1 per cent on American selling price.	Dec. 12	Dec. 27
Men's sewed straw hats.	Increased from 60 per cent ad valorem to 88 per cent ad valorem on hats valued at \$9.50 or less per dozen.	1926 Feb. 12	1926 Mar. 14
Butter.....	Increased from 8 to 12 cents per pound.	Mar. 6	Apr. 5
Print rollers.....	Increased from 60 per cent ad valorem to 72 per cent ad valorem.	June 21	July 21
Paint brush handles.....	Decreased from 33¼ per cent ad valorem to 16¼ per cent ad valorem.	Oct. 14	Nov. 13
Methanol (methyl or wood alcohol).	Increased from 12 to 18 cents a gallon.	Nov. 27	Dec. 27
Gold leaf.....	Increased from 55 to 82½ cents per 100 on leaves not exceeding in size 3½ by 3½ inches, and on larger leaves in proportion.	1927 Feb. 23	1927 Mar. 25
Pig iron.....	Increased from 75 cents to \$1.12½ per ton.	---do---	Do.
Emmentaler type Swiss cheese.	Increased from 5 cents per pound, but not less than 25 per cent ad valorem, to 7½ cents per pound, but not less than 37½ per cent ad valorem.	June 8	July 8
Cresylic acid.....	Decreased from 40 per cent ad valorem and 7 cents per pound, based on American selling price to 20 per cent ad valorem and 3½ cents per pound, based on American selling price.	July 20	Aug. 19
Phenol.....	Decreased from 40 per cent ad valorem and 7 cents per pound, based on American selling price to 20 per cent ad valorem and 3½ cents per pound, based on American selling price.	Oct. 31	Nov. 30
Crude magnesite.....	Increased from 5½ of 1 cent per pound to 1½ of 1 cent per pound.	Nov. 10	Dec. 10
Caustic calcined magnesite.	Increased from 5½ of 1 cent per pound to 1½ of 1 cent per pound.	---do---	Do.
Cherries, sulphured, or in brine, stemmed or pitted.	Increased from 2 to 3 cents per pound.	Dec. 3	1928 Jan. 2
Rag rugs, cotton (hit-and-miss type).	Increased; duty (35 per cent ad valorem) transferred to American selling price.	1928 Feb. 13	Feb. 28
Barium carbonate, precipitated.	Increased from 1 to 1½ cents per pound.	Mar. 26	Apr. 25
Sodium silicofluoride...	Increased; duty (25 per cent ad valorem) transferred to American selling price.	Aug. 31	Sept. 15
Flourspar.....	Increased from \$5.60 per ton to \$8.40 per ton on flourspar containing not more than 93 per cent of calcium fluoride.	Oct. 17	Nov. 16
Potassium permanganate	Increased from 4 to 6 cents per pound.	Nov. 16	Dec. 16

*List of subjects with respect to which the President has proclaimed changes in duties, under the provisions of section 315 of the tariff act of 1922—Continued*

Article	Change in duty	Date of proclamation	Effective date of change
Onions.....	Increased from 1 to 1½ cents per pound.	Dec. 22	1929 Jan. 21
Cast polished plate glass, finished or unfinished, and unsilvered.	Increased from 12½ to 16 cents per square foot on sizes not exceeding 384 square inches; 15 to 19 cents per square foot on sizes above 384 square inches and not exceeding 720 square inches; 17½ to 22 cents per square foot on sizes above 720 square inches.	1929 Jan. 17	Feb. 16
Peanuts, not shelled and shelled.	Increased from 3 to 4½ cents per pound on peanuts, not shelled; 4 to 6 cents per pound on peanuts, shelled.	Jan. 19	Feb. 18
Whole eggs, egg yolk, and egg albumen, frozen or otherwise prepared or preserved, and not specially provided for.	Increased from 6 to 7½ cents per pound.	Feb. 20	Mar. 22
Flaxseed.....	Increased from 40 to 56 cents per bushel of 56 pounds.	May 14	June 13
Milk, fresh.....	Increased from 2½ to 3½ cents per gallon.	---do---	Do.
Cream.....	Increased from 20 to 30 cents per gallon.	---do---	Do.
Window glass (cylinder, crown, and sheet glass, unpolished).	Increased from 1¼ to 1½ cents per pound on sizes not exceeding 150 square inches; 1½ to 2½ cents per pound on sizes above 150 square inches, not exceeding 384 square inches; 1½ to 2½ cents per pound on sizes above 384 square inches, not exceeding 720 square inches; 1½ to 2½ cents per pound on sizes above 720 square inches, not exceeding 864 square inches; 2 to 3 cents per pound on sizes above 864 square inches, not exceeding 1,200 square inches; 2½ to 3½ cents per pound on sizes above 1,200 square inches, not exceeding 2,400 square inches; 2½ to 3½ cents per pound on sizes above 2,400 square inches.	May 14	June 13
Linseed or flaxseed oil..	Increased from 3.3 to 3.7 cents per pound.	June 25	July 25

List of reports by the Tariff Commission to the President, under the provisions of section 315 of the tariff act of 1922, with respect to articles upon which no changes in duties have been proclaimed: Casein: The report stated that the commission was not able, with the data available, to make definite findings.

Wall pockets: The report stated that the commission was not able, with the data available, to make definite findings.

Sugar: On June 15, 1925, the President stated that, after full consideration of the facts shown in reports of the members of the tariff commission, he did not find that differences in costs of production were sufficiently established under present conditions to warrant any change from the present duty.

Cotton warp-knit fabric; gloves of cotton warp-knit fabric: On October 3, 1925, the President stated that under the circumstances applying to the industry he did not feel warranted at that time in increasing the duty.

Cotton hosiery: Report submitted to President. No action taken.

Halibut: Report submitted to President. No action taken.

Logs of fir, spruce, cedar, or western hemlock: Report submitted to President. No action taken.

Maple sugar and maple sirup: Report submitted to President. No action taken.

Granite: Report submitted to President. No action taken.

Oriental rugs: Investigation discontinued.

Corn: Report submitted to President. No action taken.

Canned tomatoes and tomato paste: Report submitted to President. No action taken.

Whiting; precipitated chalk: Report submitted to President. No action taken.

*List of articles upon which the Tariff Commission has reported to the President under the provisions of section 336 of the tariff act of 1930.*

Article	Paragraph No.	Change in duty	Date of proclamation or approval of report	Effective date of change
1. Woven wire fencing and woven wire netting composed of wire smaller than eight one-hundredths and not smaller than three one-hundredths of an inch in diameter coated with zinc or other metal before weaving.	397	Increased from 45 per cent ad valorem to 50 per cent ad valorem.	Feb. 5, 1931	Mar. 7, 1931
2. Woven wire fencing and woven wire netting composed of wire smaller than eight one-hundredths and not smaller than three one-hundredths of an inch in diameter coated with zinc or other metal after weaving.	397	Increased from 45 per cent ad valorem to 60 per cent ad valorem.	---do---	Do.
3. Wood flour.....	412	Decreased from 33¼ to 25 per cent ad valorem.	---do---	Do.
4. Maple sugar.....	503	Decreased from 8 to 6 cents per pound.	---do---	Do.



List of articles upon which the Tariff Commission has reported to the President under the provisions of section 336 of the tariff act of 1930—Continued

Article	Paragraph No.	Change in duty	Date of proclamation or approval of report	Effective date of change
5. Maple sirup.....	503	Decreased from 5½ to 4 cents per pound.....	Feb. 5, 1931	Mar. 7, 1931
Hats, bonnets, and hoods of straw, chip, paper, grass, palm leaf, willow osier, rattan, real horsehair, Cuba bark, ramie, or manila hemp:	1,504(b)			
6. Wholly or partly manufactured, if sewed.....		Decreased from \$4 per dozen and 60 per cent ad valorem to \$3 per dozen and 50 per cent ad valorem.	Feb. 5, 1931	Do.
7. Not blocked or trimmed, not bleached, etc.....				
8. Not blocked or trimmed, bleached, etc.....		No change.....	do.....	
9. Blocked or trimmed.....				
10. Harvest hats valued at less than \$3 per dozen.....				
11. Pigskin leather not imported for footwear.....	1530(c)	Decreased from 25 per cent ad valorem to 15 per cent ad valorem.....	do.....	Do.
Ultramarine blue:				
12. Valued at 10 cents or less per pound.....				
13. Value at over 10 cents per pound.....	68	No change.....	do.....	
14. Wool floor coverings, n. s. p. f.....	1117(c)	do.....	do.....	
Edible gelatin:				
15. Valued at less than 40 cents per pound.....	41	Decreased from 20 per cent and 5 cents per pound to 12 per cent ad valorem and 5 cents per pound.	Mar. 16, 1931	Apr. 15, 1931
16. Valued at 40 cents or more per pound.....		No change.....	do.....	Do.
17. Fourdrinier wires, suitable for use in paper-making machines.....				
18. Cylinder wires over 55 meshes per lineal inch in warp or filling.....				
19. Woven-wire cloth over 55 meshes per lineal inch in warp or filling, suitable for such wires.....	318	Increased from 50 per cent ad valorem to 75 per cent ad valorem.....	do.....	Do.
20. Wool-felt hat bodies and similar articles.....	1115 (b)	Decreased from 40 cents per pound and 75 per cent ad valorem to 40 cents per pound and 55 per cent ad valorem.	do.....	Do.
21. Wool-felt hat bodies pulled, etc., and finished hats and similar articles.....	1115 (b)	Decreased from 40 cents per pound and 75 per cent ad valorem and 25 cents per article to 40 cents per pound and 55 per cent ad valorem and 12½ cents per article.	do.....	Do.
Smokers' articles:				
22. Pipes of brierwood.....				
23. Pipe bowls of brierwood.....				
24. Other pipes, n. s. p. f.....				
25. Other pipe bowls, n. s. p. f.....	1552	No change.....	do.....	
26. Cigar and cigarette holders.....				
27. Mouthpieces.....				
Cherries, sulphured or in brine:				
28. With pits.....				
29. With pits removed.....	737 (3)	Report returned for further investigation.....	Apr. 7, 1931	
Tomatoes prepared or preserved:				
30. Tomatoes, canned.....				
31. Tomato paste.....	772	do.....	do.....	
32. Cordage, including cables, tarred or untarred, composed of three or more strands, each strand composed of two or more yarns, wholly or in chief value of hemp.....	1005 (a) (3)	Increased from 3½ cents per pound to 4½ cents per pound.....	June 24, 1931	July 24, 1931
Dried-egg products:				
33. Whole eggs.....				
34. Egg yolk.....	713	Increased from 18 cents per pound to 27 cents per pound.....	do.....	Do.
35. Egg albumen.....				
36. Bicycle, velocipede, and similar bells, finished or unfinished, and parts thereof.....	364	Increased from 50 per cent ad valorem to 70 per cent ad valorem.....	do.....	Do.
37. Chimes.....	397			
38. Carillons.....	1541	No change.....	do.....	
39. Olive oil weighing with the immediate container less than 40 pounds.....	53	Decreased from 9¼ cents per pound on contents and container to 8 cents per pound on contents and container.	do.....	Do.
40. Olive oil in bulk.....	53	No change.....	do.....	
41. Bent-wood furniture wholly or partly finished, and parts thereof.....	412	Decreased from 47½ per cent ad valorem to 42½ per cent ad valorem.	do.....	Do.
42. Pipe organs and parts thereof.....	1541 (a)	Decreased from 60 per cent ad valorem to 35 per cent ad valorem.	do.....	Do.
43. Pipe organs and parts thereof for church or other public auditorium not charging admission fee.....	1541 (a)	Decreased from 40 per cent ad valorem to 35 per cent ad valorem.	do.....	Do.
44. Iron in pigs and iron kentledge.....	301	No change.....	do.....	
45. Hides and skins of cattle of the bovine species.....	1530 (a)	do.....	do.....	
46. Cheese, except of American or Cheddar and Swiss or Emmenthaler types.....	710	do.....	do.....	
Feldspar:				
47. Crude.....	207	Decreased from \$1 per ton to 50 cents per ton.....	Dec. 2, 1931	Jan. 1, 1932
48. Ground.....	214	No change.....	do.....	
49. Cylinder, crown, and sheet (window) glass.....	219	Decreased from 1½ to 1¾ cents per pound on sizes not over 150 square inches; 2¼ to 1¾ cents per pound on sizes over 150 and not over 384 square inches; 2¼ to 1¾ cents per pound on sizes over 384 and not over 720 square inches; 2½ to 1¾ cents per pound on sizes over 720 and not over 864 square inches; 3 to 2¼ cents per pound on sizes over 864 and not over 1,200 square inches; 3½ to 2¾ cents per pound on sizes over 1,200 and not over 2,400 square inches; 3¾ to 2¾ cents per pound on sizes over 2,400 square inches; minimum rate on foregoing weighing less than 16 ounces but not less than 12 ounces per square foot decreased from 50 per cent ad valorem to 37½ per cent ad valorem.	do.....	Do.
Boots and shoes of leather:				
50. Turned.....	1530 (e)	Decreased from 20 per cent ad valorem to 10 per cent ad valorem.....	do.....	Do.
51. McKay sewed.....	1530 (e)	Increased from 20 per cent ad valorem to 30 per cent ad valorem.....	do.....	Do.
52. Other.....	1530 (e)	No change.....	do.....	
53. Gauge glass tubes.....	218 (b)	do.....	do.....	
54. Cement or cement clinker.....	205 (b)	do.....	do.....	
Pens:				
55. Of steel.....				
56. Of other metal.....				
57. With nib and barrel in 1 piece.....	351	do.....	do.....	
Lumber and timber of—				
58. Fir.....				
59. Spruce.....				
60. Pine.....	401	do.....	do.....	
61. Hemlock.....				
62. Larch.....				
63. Crin vegetal, flax upholstery tow, and Spanish moss.....	1001, 1684, 1722	do.....	do.....	
64. Peas, green or unripe.....	769	Increased from 3 cents per pound to 3½ cents per pound.....	do.....	Do.
65. Peppers in their natural state.....	774	Decreased from 3 cents per pound to 2½ cents per pound.....	do.....	Do.
66. Eggplant in its natural state.....	774	Decreased from 3 cents per pound to 1½ cents per pound.....	do.....	Do.
67. Pineapples.....	747	No change.....	do.....	
68. Fresh tomatoes.....	772	do.....	do.....	
69. Snap beans.....	765	do.....	do.....	
70. Cucumbers.....	774	do.....	do.....	
71. Okra.....	774	do.....	do.....	
72. Lima beans, green or unripe.....	765	do.....	do.....	



In connection with the statement made by the gentleman from Iowa [Mr. RAMSEYER], who is always fair and who is always very accurate, indeed, when the gentleman stated that under the 1922 act only two items were not acted upon by the President, he was mistaken.

Mr. HOCH. I believe the position of the gentleman from Iowa was that there were only two under the 1930 law.

Mr. RAMSEYER. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. RAMSEYER. I am glad the gentleman from Kansas [Mr. HOCH] has corrected the gentleman from Kentucky [Mr. VINSON]. When the gentleman from Kentucky made the statement that there were 18 items that had not been acted upon, I thought the gentleman was referring to items that had gone before the commission under the act of 1930. If the gentleman is referring to the period back of that, I have not looked into it, but under the act of 1930 only two items have not been acted upon. In fact, they were disapproved.

Mr. VINSON of Kentucky. What were the items?

Mr. RAMSEYER. Cherries and tomatoes.

Mr. VINSON of Kentucky. What was the recommendation of the Tariff Commission in regard to them?

Mr. RAMSEYER. Decreases in both instances.

Mr. VINSON of Kentucky. In regard to cherries, when the President refused to act he did not pigeonhole it like he did the sugar recommendation for the period from July, 1924, until June, 1925, but he took a smoother way out. He sent the recommendation back to the Tariff Commission for further study. Is that not correct? It certainly is.

Mr. RAMSEYER. On the sugar matter, of course, that was President Coolidge, seven or eight years ago.

Mr. VINSON of Kentucky. But he was a Republican President.

Mr. RAMSEYER. I do not approve of everything that was done by the old commission. It did not function as well as the present one does.

Mr. VINSON of Kentucky. Referring to the 1922 act and the operation of the Tariff Commission under it, I say that when the recommendation was made that affected cotton hosiery, halibut, logs of fir, spruce, cedar, and western hemlock, and maple sugar and maple sirup, corn, canned tomatoes, tomato paste, and other articles the President took no action.

Mr. SCHAFER. Will the gentleman yield?

Mr. VINSON of Kentucky. I would rather proceed if the gentleman will permit.

I was amused at the distinguished gentleman from Oregon [Mr. HAWLEY], for whom the 1930 tariff act was in part named, when he said that the act of 1922, creating the Tariff Commission and putting into the tariff law the flexible provision, took the tariff out of politics. It was so amusing that the gentleman himself laughed aloud with the rest of us.

I was surprised at the statement of the gentleman from Massachusetts [Mr. MARTIN], who took to task the gentlemen who are advocating the passage of this bill. Forsooth, he said that it furthered the interest of somebody over in Czechoslovakia or Germany. I happen to remember when another measure was pending on this floor at this session of the Congress, the moratorium bill, when the interest of Czechoslovakia, the interest of Germany, the interest of 14 other foreign nations were involved, and the interest of the American taxpayer was involved, the gentleman from Massachusetts [Mr. MARTIN] was found on the side of the European folk. I know that they regret very much indeed that he has deserted their cause at this time.

The gentleman from Massachusetts referred to the fact that the consideration of this measure in the House was begun on the day that the Democratic chieftains assembled in Washington, and he criticized this action on the ground that the country waited legislation upon the tax bill, which will require the acquisition of new money to fill up in part the deficit created by the Hoover administration. He chastizes us for the consideration of this measure upon this day. All measures can not be considered at once, but one thing is

certain: To-day is a peculiarly fitting day to begin the corrective process. Men and women from every State in the Union assemble here, as Mr. MARTIN states, to honor Old Hickory, who was the virile, militant general of the masses in their fight for freedom against the classes. Old Hickory was of the people. He knew their needs, he had the courage to oppose the autocracy and aristocracy of the early leadership; and while Jefferson gave expression to the ideal of democracy, it was Jackson who placed it in the hands of the people. Consequently, I think it is peculiarly fitting that to-day, of all days, we undertake to restore into the hands of the people's representatives the power, in part, of tariff revision, which now rests with Mr. Hoover.

The gentleman from Massachusetts refers to the army of the chieftains assembling here. He says that the consideration of this measure is for their benefit and edification. In his speech he referred to this army marching upon the Capitol. Only yesterday a veritable army 10,000 strong, unemployed and hungry, marched against Capitol Hill in solemn, orderly protest against the condition of the days and the failure of the Hoover administration to relieve them. So it is, with the sounds of this retreating army only now growing dim, we proceed to the consideration of the measure, while we wait for the presentation of Mr. Hoover's reconstruction loan program, now being considered in the Congress.

The gentleman from Oregon [Mr. HAWLEY] said that he felt embarrassment at having to consider section 4 of this bill.

I read it as reported by the committee:

SEC. 4. INTERNATIONAL ECONOMIC CONFERENCE.—That the President is respectfully requested to initiate a movement for a permanent international economic conference with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices, and other economic barriers affecting international trade and finance, (b) preventing retaliatory tariff measures and economic wars, and (c) promoting fair, equal, and friendly trade and commercial relations between nations; but with the understanding that the question of the cancellation or reduction of intergovernmental debts shall not be considered or discussed by the representatives of the United States in such conference.

The gentleman from Oregon [Mr. HAWLEY] is embarrassed? Embarrassed at what? Is he embarrassed because the Congress of the United States would request the President to initiate a movement looking toward the lowering of excessive tariff duties? Is he embarrassed because the Congress of the United States would call upon the President to initiate a conference looking toward the preventing of retaliatory tariff measures and economic wars? Is he embarrassed because of an invitation to his President to call this conference looking toward the promotion of fair, equal, and friendly trade and commercial relations between the nations?

Is there a man in this House who can say that there are no excessive tariff rates across the seas affecting the interests of the American people? Is there a man in this House, or in the Congress of the United States, who can say, with a clear conscience, that no retaliatory tariff walls have been erected in foreign countries? Is there a man in the Congress of the United States who can say that there is not need of a more friendly feeling in foreign nations for this country?

Mr. SIMMONS. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Nebraska.

Mr. SIMMONS. Did I understand the gentleman to state that foreign tariffs have been set up in retaliation of tariffs set up by the United States?

Mr. VINSON of Kentucky. I did not take up any particular tariff. I asked the question, and I ask the gentleman now if he will say, upon his responsibility, that there have been no retaliatory tariff laws enacted by foreign countries to the detriment of his own people?

Mr. SIMMONS. That is not the statement I am questioning.

Mr. VINSON of Kentucky. That is the statement I made.

Mr. SIMMONS. My question was whether the gentleman



stated that foreign countries had set up tariffs in retaliation of tariffs set up by the United States. Is that correct?

Mr. VINSON of Kentucky. I said they had set up retaliatory tariffs. I did not specify any particular country because I did not want to get into that.

Mr. SIMMONS. Then I suggest this to the gentleman: His party being in control of the Ways and Means Committee of the House, that the chairman of the Ways and Means Committee ask the Tariff Commission to advise us whether that statement is true.

Mr. VINSON of Kentucky. I evidently do not understand the gentleman. The gentleman can get the detailed information as to country and items as easily as I can. However, some of the nations are Canada, Germany, Spain, Argentina, Chile, and Mexico. There are many others.

Mr. SIMMONS. Let the chairman of the committee ask for it for the House of Representatives.

Mr. VINSON of Kentucky. Now, members of the committee, this bill, in the first section, restores to the Congress the power created in the Constitution of our country to set up tariff rates. When first evolved it was a novel proposition to place in the hands of the Chief Executive of this country the power to make tariff rates. The power to tax resided and ought to reside in Congress, yet under the 1922 act, under the 1930 act, the Smoot-Hawley bill, the President is given power to control certain tariff rates. In other words, he is granted the power to approve or disapprove the recommendations of the Tariff Commission. He has taken a power—not written into the law—the power to take neither action, the power of pigeonholing.

For my part, I think that section 1 in this bill brings home a power that Congress should never have relinquished. Day after day, week after week, month after month, year after year Members of this body complain and are complained against in respect of the supine delegation of legislative power to the Executive. We do not advocate autocracy and bureaucracy, yet there are many who permit their growth in the name of expediency. This bill does not delegate that power to the Executive. It brings home into the legislative body a power that it should never have relinquished. The fathers who wrote the Constitution never contemplated the placing of the power to fix rates in the hands of the President.

In fact, back in 1907, when Senator Beveridge was opposing Messrs. Payne and Dalzell, the leaders of the reactionaries in the House in his fight for the creation of a Tariff Commission, he was met with their argument that it was an unconstitutional interference with the powers of the legislative to pass on taxes. Mr. Beveridge responded to that argument as follows:

Of course, there is no thought of permitting any body or anyone to take over the power to determine taxes. The Constitution takes care of that. The sole purpose of a commission is to assemble facts to be presented to Congress for its guidance in the framing of tariff tax laws.

There was no thought at that time of the "flexible clause," which gave power to the President to control the rates. It was not even under consideration at that time. This unprecedented delegation of a legislative function first saw the light of day in the tariff act of 1922, under the Harding administration.

You know, our Republican friends are canny. They are the most canny individuals I know. For instance, in one paper we will have the statement made by one of their leaders to the effect that we are not moving, when in fact we are going in high gear; others say we should get down to the program of the President, which is claimed to be for the relief of the people. They objected to the quick work on this bill, they sought and secured delays—wanted much more—and now complain because we have not brought in a general tariff bill. We want to be fair to the people of the United States; you should be fair. We represent Republicans as well as Democrats. We want to get into the relief program at the earliest moment; we have already passed two of his measures. And there is not a Republican Member in this House but knows many weeks in the special

session of 1929 were spent in hearings on the Smoot-Hawley bill. After the hearings were concluded four or five other weeks, as I recall it, were used in special conferences of the majority, in which the minority was not permitted to participate. Then the bill was brought in and several weeks had to be used in its passage. Consequently I can not believe that your criticism of us for not bringing in a general tariff bill at this time is made in good faith.

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield myself 10 additional minutes.

Mr. LUCE. Will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. LUCE. Does the gentleman recall that in 1922 his party made no audible objection to the provision which he now criticizes?

Mr. VINSON of Kentucky. Since 1922 that power has been in the hands of the President. The people of the United States have had an opportunity again and again to express their voice.

While certain gentlemen representing districts in which special interests are involved may very naturally hear the voice of their master, it seems to me that the last election affecting the Congress of the United States and the succeeding elections should permit the Members to know who their master is, and really to hear their master's voice. The voice of the master should be the voice of the people. As far as I am concerned, I think the people of the United States, having had the flexible tariff provision injected into campaign after campaign, in platform after platform, have finally issued a mandate that, as soon as the Congress can do it, they should take into their own bosom a power that never should have been relinquished.

Mr. LUCE. Will the gentleman yield further?

Mr. VINSON of Kentucky. Yes.

Mr. LUCE. I only want to call attention to the fact that it took seven years for the gentleman's party to wake up, as usual. [Laughter and applause.]

Mr. VINSON of Kentucky. I might say, without any concession to the gentleman, "Better late than never."

Mr. BLANTON. If the gentleman will permit, it just took the people of the United States seven years to become "unfooled." And the people have now given us a chance to undo some of the wrongs Republicans have committed.

Mr. VINSON of Kentucky. The statement made by the gentleman from Oregon [Mr. HAWLEY] that the tariff had been taken out of politics, the attitude of the gentleman from New York [Mr. SNELL] in criticizing the delay in our activities, the criticism of gentlemen who say that a general tariff bill should be brought in simply makes me know that you gentlemen on this side of the aisle are experts in the political game.

In addition to what I have said heretofore, relative to the inadvisability of a general tariff bill at this particular moment, I might add that the gentlemen on this side of the aisle would be the earliest, longest, and loudest in their criticism of us, if such a course were pursued. You would charge us with making a political gesture at the expense of those whom you would claim might be benefited by legislation evolved during the time wasted. You could indict and convict us of a futile thing. You know that a general tariff bill, if passed by this Congress, would be called upon to hurdle the Hoover veto, and as yet the two-thirds vote required is not present. However, it will not be long now.

Mr. WHITE rose.

Mr. VINSON of Kentucky. I yield to the gentleman from Ohio.

Mr. WHITE. The gentleman has discussed the necessity of taking up the relief program. I wonder if he considers this a part of that program.

Mr. VINSON of Kentucky. We certainly feel that this legislation is what the people of the country want. I trust you understand how I feel toward the flexible feature. We feel that when section 3 is written into the law an office will be established caring for the interest of the general



public, and I may say to the gentleman that if the consumers' counsel in section 3 of the bill is a bad proposition why did not the spokesman for the administration, Mr. Ogden Mills, say aught against it?

Mr. WHITE. Will this put men in jobs and give them bread and butter and wages?

Mr. VINSON of Kentucky. Well, I can only know what I read in the papers. This bill was introduced on Tuesday, January 5. We are proceeding to its consideration January 8. The papers tell me that market values have increased untold hundreds of millions of dollars. While full credit for this most pleasant news in months can not be taken, surely you could not say its introduction to our economic structure has been hurtful.

Mr. BLANTON. If the distinguished gentleman from Kentucky will yield further, the concern of the people of the United States is not that we shall pass blindly a relief measure proposed by Mr. Hoover, but that we shall pass a proper relief measure, and to approve this bill all the people want to know is that our 15 Democratic members of the Ways and Means Committee voted unanimously for this bill, and that the 10 Republican members of the committee voted unanimously against it; that is all the people want to know to give the bill approval.

Mr. VINSON of Kentucky. I want now to address myself to the consumers' counsel. I may say if the consumers' counsel provision is as bad as some of you gentlemen think it is, why did not that keen-minded economist, Mr. Ogden Mills, Under Secretary of the Treasury, say aught against it? This provision is so plainly written, its purpose is so evident, and its need is so apparent, that the keenest intellect you have on your side of the aisle could not find fault with it.

I want some one to say why should not the ultimate consumer, why should not Mr. Average American, why should not the general public have some one there to care for their interests. Oh, they get down to the shaving of hairs. The gentleman from Oregon [Mr. HAWLEY] asks, "Where is the point where the producers' and the consumers' interests separate?" and "If you are going to have a consumers' counsel, why have a producers' counsel?"

I will answer his queries. First, with reference to the line of demarcation between producers' and consumers' interest.

That point where the producers' and the consumers' interest separates is the exact spot in the tariff rate where the producers' interest becomes selfish and detrimental to that of the majority of the American people. No one can read in this bill any effort on the part of its sponsors to affect any legitimate right which a producer has. The furtherance of that right is in the interest of the consumer. No one should seek more than is right for the producer. The consumers' counsel, representing the interest of the consuming public, certainly should never act for them in any manner destructive of the public interest.

The second query, "Why not a producers' counsel?"

Due to the fact that the producers are organized and enabled to avail themselves of their opportunity to employ the best counsel money can hire, I dare say that the main objection to having a producers' counsel at the expense of the Treasury would be the inability of such gentleman to crowd up to the table where sits the splendid array of expert counsel of the special interest involved in the hearing.

You have two classes of men appearing before the Tariff Commission—you have the producer and the importer. You have the producer of the raw material or the producer of the finished product and the importer. The producer wants an increase of the tariff and the importer wants a reduction of the tariff, and up to this date, on the authority of Mr. DAVID J. LEWIS, who spent many years upon the Tariff Commission, the consumer has never had his day in court.

Members of the House should not get the impression that the consumers' counsel is to be created for the purpose of opposing the increase in tariff rates as the subject matter warrants it. Where warranted the consuming public's inter-

est will be conserved in such increase, but on account of the manner in which the Hoover tariff bill was framed and passed there are hundreds of commodities in everyday use upon which special interests levy a daily tribute against the interest of the wage earner, and the entire populace, always excepting the special few who profit by the log-rolling, unscientific, selfish, and high-handed method pursued in its enactment.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from New York.

Mr. LA GUARDIA. The gentleman is on the Ways and Means Committee and has referred to our distinguished colleague, the gentleman from Maryland [Mr. LEWIS]. Did not the gentleman from Maryland [Mr. LEWIS] have a bill somewhat different from the details of sections 1 and 2 of the present bill, and was that bill considered?

Mr. VINSON of Kentucky. I think the gentleman from Maryland [Mr. LEWIS] had a bill that involved a departure in some respects. I have not seen the bill itself, but I know its feature. The distinguished gentleman from Maryland [Mr. LEWIS] participated in the hearings, and the preparation of this bill, and is supporting the measure. His work has been of invaluable benefit to it.

Mr. LOZIER. If the gentleman will permit the observation, the Tariff Commission was first appointed in 1882, under the administration of President Arthur. The average rate of tariff duties at that time was 42 per cent. The Tariff Commission or Board made a report recommending a 20 per cent reduction. Instead of carrying out that provision the Republican Congress and the President proceeded to enact a bill which failed to reduce the tariff in accordance with the recommendations of the Tariff Commission, but very substantially increased the tariff. This illustrates the purpose and object which the Republican Party has in creating the Tariff Commission—to utilize it to increase rates or to delay the exercise of the tariff-levying power by Congress, because they never have used it to reduce tariff rates, except in a few isolated cases, and it has always been the instrument by which they have increased tariff rates and secured duties which they could not get from Congress, representing the American people.

Mr. VINSON of Kentucky. And when it does not suit the gentleman who occupies the Executive Mansion, all he has to do is to pigeonhole any recommendation of the commission, or, under the present procedure, send it back for further investigation. I would like some one to tell me what recommendation sent back to the Tariff Commission has ever again seen the light of day.

I want again to refer to the consumers' counsel. What can it hurt to have a man down there at a salary of \$10,000 a year, a counsel appointed by the President of the United States by and with the advice and consent of the Senate to help the Tariff Commission. Now, we lawyers know that no matter how fair-minded a court may be, if he steps aside from an impartial position, immediately he loses his judicial function. The Tariff Commission, I should think, would welcome this aid.

Further, judges know that men who are interested in the subject matter furnish them information to follow in the decision of the case that will secure a favorable decision for them.

Without sneering at it, without casting aspersions upon it, without treating it in a somewhat vulgar way, I would like to hear some gentleman on this side of the aisle say what harm will come from the appointment of this representative of the people.

Mr. BACHMANN. What good will come from it?

Mr. VINSON of Kentucky. Well, I am happy to inform, you have a producer of raw material, or the finished product, who comes down and files a petition for an increase. He is the party in interest, and he has his trained counsel who produces his side of the case. The subsequent effect and the welfare of the general public will not be presented by that counsel employed by the producer, for he seeks only



to increase the rate. I feel certain that the gentleman from West Virginia is so fair that he will recognize the truth of that statement.

Mr. BACHMANN. I am trying to find out what is sought to be accomplished by this provision. Is not the great mass of the consuming public composed of wage earners?

Mr. VINSON of Kentucky. Oh, it is the people of the United States, and among them you have producers and consumers. Wage earners certainly are consumers; counsel will represent them. The question to be solved is the question of the public good.

Mr. BACHMANN. Who is the great consuming group of the country; is it not the wage earners?

Mr. VINSON of Kentucky. Most of us are wage earners, and most of us are consumers. Let me answer the gentleman. The producer is seeking an increase in tariff rates in which he has a financial interest. He is not primarily interested in the welfare of the wage earner. While it would be for his interest as a producer to have an increase, it might not be in the interest of the American public to have the increase.

Mr. BACHMANN. Is it not the purpose of the producer, practically the wage earner in industry, to seek to have the tariff rates increased? What is the purpose of the producer in having the rate increased if it is not for the interest of the men who labor?

Mr. VINSON of Kentucky. It is his own selfish interest. Every producer should have to look to the interest of the general public. If it is not in the interest of the general public, the Congress would not approve of it.

Mr. BACHMANN. Does the gentleman mean to say that in those 17 increases he is talking about there was no element for the protection of the wage earners?

Mr. VINSON of Kentucky. The producer is the man who is primarily interested. He is interested in dollars and cents and his pocketbook is affected, and consequently it is the natural thing for his lawyer in the presentation of his case to present his side of it rather than the side of the American public. I say again that if the consumers' counsel is not a proper one, why did not the representative of the Treasury, the spokesman of the administration, Mr. Ogden L. Mills, say aught against it in the hearings?

Under the present law, the persons appearing before the commission seeking either increase or decrease of tariff rates are, obviously, those who have a monetary interest in the matter presented to the commission. They have a direct financial interest in the action to be taken by the commission. Parties who usually and generally appear are either the producers of finished articles or raw materials or importers of commodities into this country. Generally, the producer appearing before the commission is interested in an increase of duties for his own personal gain. The importer desires a reduction in duty for a like purpose. Undoubtedly, no criticism can be offered in the presentation of their cause to the commission. However, while they are furthering their own financial interests, the general public has no advocate in the case.

The individual consumer, generally speaking, has such small personal interest involved that he can not afford to have counsel ever present to care for his interest. The consumer is not a participant in the trial of the case which involves his rights. For the most part, his voice is never heard before the commission.

Even though he may appear and state his views to the commission, or even before the committees of Congress, he is in the same category as a litigant in court who has those same privileges but who does not have counsel to advise him in respect to his rights. Like a litigant, his experience in any given case is merely casual. Under the present law he may be heard before the commission, but his rights are very limited in that respect. If given the right to examine a witness, it is a matter of grace. He is not a direct party in interest and does not have the standing of either the manufacturer, the producer of the raw material, or the importer. However, his own interests are directly affected by the findings in the case.

It is the duty of the counsel herein authorized to represent the interest of the consuming public in any proceeding before the commission. He is the representative of the general public in the investigations carried on by the commission. He appears and speaks for one who has heretofore been inarticulate—the ultimate consumer.

The counsel is given authority to offer testimony, to examine witnesses, and to present argument. He may receive from the commission information which the commission may have in respect of the matters involved before him. In addition thereto he is granted the right to initiate a proceeding before the commission whenever he deems it to be in the interest of the public so to do, or upon request by him the commission shall promptly conduct investigations and place the results thereof at his disposal, which information may be used to good result. He is given the right to have compulsory process to carry out the purposes set forth in this legislation.

Generally speaking, the consumer is interested in reasonable rates. The people's counsel—herein designated as the consumers' counsel—shall not be primarily concerned in the increase or decrease of rates upon commodities except in so far as they affect the general interest. It was suggested to the committee that many, if not all, of the producers were likewise consumers. That is eminently correct. The function of the consumers' counsel will be to represent the consuming public, ever having their best interest as his goal.

We assume that the commission has been diligent in its efforts. Yet, only a small number of the cases brought by interested parties have been disposed of. There yet remain many petitions filed by producers and by importers who are pressing their matters, determined in the hope of gain. With this condition, it is apparent that the general public has little, if any, opportunity to have studies made upon veritably hundreds of commodities which affect them vitally and which would be of general benefit to the country at large, unless some one charged with this special duty will institute proceedings before the commission and present the cause of the consuming public to it.

It might be useful and interesting in this connection to quote the following from the testimony of the Hon. DAVID J. LEWIS, formerly a member of the Tariff Commission and now a Member of this House, before a Senate committee investigating the Tariff Commission:

Keep in mind always, Mr. Chairman, that in Tariff Commission cases the real defendant is never there, that in the very nature of things now and perhaps always Tariff Commission investigations and trials are ex parte trials. In no instances that I can now recall has the taxed consumer been represented. The burden on him is a disguised—and I did not say "disguised" in an unfavorable sense—but is a hidden and indirect burden that he does not consciously recognize. He is not before the court in discussions of tariff matters. In some instances the importer is there with his commercial interest in the subject; he participates and may present information of value, but, in no instance have we had the consumer there to defend himself or present information of value.

The manner in which certain Representatives of districts favored by this indefensible Hoover tariff squirm at the thought of an expert attorney being present upon behalf of the public makes me know more certainly than ever the need of such representation.

#### INTERNATIONAL ECONOMIC CONFERENCE

Heretofore I have read into the RECORD section 4 of this bill. I for one thought that if there could be anything in this bill that would be attractive to the Chief Executive it was providing for an international conference. Mr. Hoover has had such a broad experience among the nations of the world, his well-known penchant for their happiness and welfare, his ever-present desire to engage in any kind of conference, international or otherwise, lead me to think that this portion of the bill at least would not meet with serious objection.

The spokesman for the administration, Hon. Ogden L. Mills, said there was no need for such conference in view of the fact that—

Such an organization, operating under the auspices of the League of Nations, has been in existence for a number of years,



which is thoroughly well organized, which works continuously, and which has made available a great mass of detail information relating to these and kindred problems.

In view of the fact that we are not a member of the League of Nations and have no official status, I am at a loss to understand wherein this organization would be of any benefit to our investigation.

Mr. Mills referred to an economic conference which occurred in 1927, and probably at a later date. There seemed to be some difference between the opinions of Mr. Mills and Mr. Lovejoy relative to the exact status of our connection in those conferences. As I caught the testimony, this economic conference was also a creature of the league—rather, it was called into being by the league. Mr. Hoover appointed an official representative of this country to appear at this conference. Their action was merely reported to the economic committee of the League of Nations. Of course, our connection with the conferences stopped with its transmittal to the League of Nations. Then we were told by the gentleman that this conference had no jurisdiction over tariff matters.

There is a widespread belief among the people of the United States that by reason of the high and exorbitant rates of the tariff act of 1930 we have incurred the hostility of many nations throughout the world. They believe that this hostility has resulted in the enactment of many retaliatory tariffs against us, the results of which are causing uneasiness and concern to all thoughtful minds.

The results of these retaliatory tariffs are reflected by the falling off of over \$2,800,000,000 in American exports, which has created an immense surplus of manufactured articles and agricultural commodities for which there is no market here in America or elsewhere.

By reason of these retaliatory tariffs American manufacturers, taking a few key men with them, have moved their plants to foreign countries, with the result that thousands of American employees are thrown out of employment and their places are taken by the foreign workingman who is now engaged in manufacturing those articles which formerly were made here in the United States by the American workingman.

In Canada alone, according to a report made to the Senate dated January 20, 1931, the Secretary of Commerce reported that the number of American-owned branch and subsidiary manufacturing plants in Canada in 1929 was 467, with an investment of \$513,864,000.

On September 17, 1931, the Canadian Press (the Canadian press service comparable to the Associated Press in the United States) sent out a dispatch from Ottawa to the effect that the number of such American-owned plants in Canada at that time was 1,071, with a total capital investment of \$1,189,590,000.

Undoubtedly the American commerce has been shut out from many markets of the world because of the Smoot-Hawley tariff bill. Some 40 nations of the world, at the time of its consideration, made official protest against its passage; a thousand economists in our own country, most of whom were Republicans, protested against its higher rates, calling attention to the disaster which would inevitably follow. Since its passage the nations of the world have increased their tariff walls in height, have enacted tariff legislation upon commodities heretofore on free lists, particularly articles furnished in large quantities by our country, and our standing with the nations of the world, commercial and otherwise, has been materially affected to our detriment.

It is hard for me to conceive that any thinking man or woman would not deem it of the highest importance to secure a lowering of foreign tariff barriers, repeal of the retaliatory tariff measures, in order that our commerce, the products of the farm, mine, and factory, might again move in the channels of the world trade. It seems to me imperative that the movement for this relief should be initiated. And, endeavoring to be helpful, we call upon the President of the United States, Herbert Hoover, to take this step. He is the only American citizen with power to do it. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman and gentlemen of the committee, I have been connected on committee with the drafting of two tariff bills, and we worked hard on both of them. I am not going to talk to you in a political way at all, because I do not think that is involved in this bill; but I want to tell you how this proposition affects me, and I want to appeal to your judgment about what can be done to make this a better bill. It is not political in any sense. First, with respect to the flexible tariff that is to be discontinued. We have had that for years. It has been a success. Some one asks, Is it a success? Yes; the President of the United States raised the tariff on butter, cheese, and agricultural products in my State that were important because of an emergency. In that way he rendered a real relief to our people and gave needed protection. It happened to be a serious emergency. That is liable to happen again to any industry. The weakness of the proposition we have here, according to the bill, is this: You strike out this emergency provision and find a necessity for raising or lowering the tariff on some schedule, as the case may be, and you are confronted by this bill with the proposition that you can not do anything. The commission can simply bring in a finding of fact. I am not particularly in favor of the President passing upon it. For some reasons I would rather have Congress do it, because ours is the legislative body. I believe a remedy could be provided that you may enact in this bill. I do not see any especial importance to be attached to the President of the United States putting the commission's finding into effect. He can not give much study to tariff schedules, and I appreciate fully what has happened in the past. I know about the sugar tariff experience in past years, and have studied it, as others have done. I have in mind what ought to be a safe plan, and that would be to give legal force to the commission's finding. You can depend upon the Tariff Commission feeling their responsibility, if that was its effect, because they would not make any report unless it was right.

Then when Congress meets we can by a provision in the bill approve or disapprove their report. The finding of the Tariff Commission, when made on the initiative of individuals or on complaint, should go into effect when made, at once, subject, of course, to any change when Congress meets. I believe this is the most serious defect in the bill we are considering.

Next I refer to provision for consumers' counsel. I believe in that. I do not think that we should quibble over a \$10,000 salary proposition when a day or two ago we were facing a \$760,000 building proposition for our own sake, and many here voted for it, and you are going to be asked to approve a \$600,000,000 naval bill pretty soon. If he is a good official his services to the country will be worth many times his salary. Here is what he will do, or what he ought to do. We have had this proposition up time and time again in our committee. I have always felt that a consumers' attorney is desirable before the commission. He will be a sort of public defender. Some one says, Are we not all interested in the consumers? Yes. But I will take the average Member, Democrat or Republican, and I will prove to the Member himself that he is generally brought into the tariff proposition when acting in behalf of some constituent who wants a raise in schedule rates for the protection of his industry. He is not looking after the consumer, nor are we when acting for that constituent. Ordinarily, as we all know, these tariff rates are trades; it is a logrolling proposition, and it becomes so in spite of all that you can do when preparing a tariff revision. This consumers' counsel will be able to cross-examine witnesses and inquire into their interest in the result. He can test the methods employed by the experts and assist materially in the commission's investigations. I feel that he will be of value if you have a competent man, and no one should be selected unless competent. But for



the sake of argument let us admit that he may be of no value at all; that he fails to measure up to his job. Then why quibble over a matter of \$10,000, when we have millions of dollars involved before us every day, and there is a \$2,000,000 proposition coming over from the other side of the Capitol soon. A Senator said to me a few moments ago that they are all going to vote for it and that none of them want it. I do not know whether that is correct or not; but if so, we may find ourselves in the same predicament. What is the objection to this consumers' counsel? I believe that he will be of value, both to the consumers and the commission, and have favored the proposal for a long time.

I took the floor here, as you may remember, more particularly upon the sugar items in the last tariff bill. I studied the sugar situation and had some familiarity with its relation to our islands, with their free shipments, as well as with Cuba. I could not find anything from the Tariff Commission on the consumers' special interest, because they did not know any more than I did about it. I had been to the various islands, and knew that free sugar was one problem of our continental industry, and that we had to import one-half of all we consume from Cuba.

With that situation in mind, we would have a man of whom you could ask for any needed information. You could ask him whether he can tell you something about the sugar question or the cement question from the consumers' standpoint and like questions that the consumer back in your home State who is building miles of pavement is interested in. Those are the people I would like to have appear before us and furnish us with the facts.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes.

Mr. CLARKE of New York. I would like to have the gentleman define who is the consumer.

Mr. FREAR. I will do that in the sense I am now discussing it. The gentleman from New York is in favor of agriculture; he is a farmer. He will come to the committee preparing the tariff bill and say, "I want to have particularly what my constituents want, and what they want is particularly an increase in butter rates or an increase in the rates on cheese or in something else." His interest is enlisted by his constituent who needs or thinks he needs added protection. You never hear him going to the committee and saying his constituent wants a reduction in tariff rates. The consumer is rarely heard at such times.

But here is a consumer who says through the consumers' counsel to all Members, "I want a reduction in sugar rates," and the counsel gives reasons for that complaint. To-day you never hear from the consumer on sugar or on other rates. We are all equally interested in the making of the tariff bill, but the consumers' voice is rarely heard. If you want to find out about the consumers' interest you would say to this consumers' counsel, "I want to find out about his interests as well as those of the producer." The experts connected with the Tariff Commission, about whom we have talked, are as human as we are. They differ in their judgments as we do, but let this consumers' counsel or defendants' counsel, as you choose to call him, come in and make his statement as all of the attorneys employed by the manufacturers and importers now do.

The third proposition I wish to discuss is briefly this: The proposal for a permanent economic council is accompanied by an admission of our own unjust tariff rates. I do not believe we should go before the countries of the world and confess that we are extorting money from the world at large by unjust tariff duties or unfair trade dealings. All of these confessions and others appear in the last paragraph.

I do not have objection to any conference, but, with the statements that appear in the last paragraph, they would go to the conference with their hands tied. I would sympathize with our delegates sent there, because they would be helpless before that conference, for we have acknowledged their many crimes. Even if true, I am not in favor of parading them. That is no way to gain concessions. We have gained nothing by such confessions as are set forth

in the bill. If restricted in the conference so as to avoid retaliatory tariffs and without such profuse excuses and apologies for wrongdoing tariffs, the purpose is not so objectionable, although our own interests are first to be served.

Mr. HARLAN. Will the gentleman yield?

Mr. FREAR. I yield.

Mr. HARLAN. Is it the intention of the gentleman to introduce an amendment to make the decisions of the Tariff Commission effective unless reversed by Congress?

Mr. FREAR. I think that would be the proper thing, but I would leave that for members of the committee to offer. If a member of the committee at this time, I might do so, but believe it should properly come from the majority side that has prepared the bill.

[Here the gavel fell.]

Mr. COLLIER. Mr. Chairman, I yield one minute to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman and gentlemen of the committee, apropos of the argument which has been made with reference to the consumers' counsel and the point that it grants a favor to a certain vocational group and withholds it from another vocational group, may I say that the term "consumers' counsel" is comprehensive? The manufacturer is a producer of manufactured commodities. He is a consumer of agricultural products. The farmer who is a producer of food products is a consumer of manufactured commodities. So the person appointed to represent the public, as consumers' counsel, might with propriety represent the manufacturer or the agriculturist, because in the last analysis the manufacturer is both producer and consumer, and the agriculturist is also producer and consumer, and he is vitally interested in tariff legislation.

[Here the gavel fell.]

Mr. COLLIER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes, had directed him to report that that committee had come to no resolution thereon.

#### THE HAWLEY-SMOOT TARIFF BILL

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks on the question of the tariff.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAMNECK. Mr. Speaker, when the present tariff law in effect in the United States is discussed from a partisan viewpoint one seldom gets the actual facts. If the Republicans discuss it, they try by every means possible to justify the ratio contained in the bill, because it was passed by a Republican Congress. On the other hand, when the Democrats discuss it, they condemn its provisions, because it was not passed by them.

Therefore the average citizen has great difficulty in determining the actual effect of the tariff, so far as it concerns business. In view of that fact, I want to quote part of a letter received from a business man in a foreign country, which shows conclusively the actual operation of the retaliatory tariffs imposed by foreign countries because of our having passed the Hawley-Smoot tariff bill:

AUCKLAND, NEW ZEALAND,  
September 16, 1930.

DEAR SIR: I was very pleased to receive your very welcome letter dated April 4. I should have replied earlier, but with us we are just finishing up our winter season, and during the busy months private correspondence seems to get sidetracked. Your kind offer of assistance at any time is, I can assure you, very much appreciated, but, unfortunately, the latest tariff which has been adopted by your Government has made trading between these two countries practically impossible. The primary object of your tariff was to protect the U. S. A. farmer, and, unfortunately for this country, we only have farm produce to sell, and your Government has practically said, "We do not want to trade with your country at all. We only want to sell to you." Naturally this Government



has retaliated with a crushing duty against all lines from U. S. A., and those of us who have been handling American manufactured products have to look for fresh sources of supply or else go out of business.

Why can not the politician bring down some sensible sort of tariff which will take into account the value of the trade secured by their taxpayers from the various customers in foreign countries, and when the balance is in favor of the country which is amending the tariff, they should not disturb the trade with that country which already buys from you considerably more than they sell to you. When two business houses cease to trade it is the one which sold the most goods to the other which suffers most by the break in trading relations, and that is the position between New Zealand and the United States. We have always purchased about four or five times the value of goods from the United States of America that we have sold to you, so that when your Government practically says we do not want New Zealand goods coming into our market, our Government can afford to retaliate, because the business balance has been in your favor in the past and you become the greater sufferer in the loss of trade.

This country should not be penalized by you unless the balance of trade is against your country, when you would be justified in loading the dice against us, so as to get back to a balance of trade. On the other hand, when our Government finds that your country is not even satisfied with having the balance of trade largely in its favor, but it wants to be only a seller, then you can not blame this or any other country from saying, "To hell with the United States of America." Americans as people are very popular in this country, and I think in all British countries, but as traders—well, you do not know how to trade, you are only salesmen, and in the finish that is not going to get you very far.

When I started to write this letter I had no intention of getting sidetracked into international politics, but as a manufacturer you look upon outside markets as a useful outlet for your surplus production, and it is quite probable that other American manufacturers and yourself do not realize that the greatest opposition that you have to fight in the world's markets is your own politician. He should be at least interested to learn how the other fellow feels about it. When I go out to sell lines for the United States of America manufacturers I frequently have this thrown in my face, "I would sooner buy German goods than Yankee stuff."

Why do they say this? Because Germany is already in the market here for the lines which we have to sell, and she is back on the old stand as a trader and not as a mere salesman. In short, it is nationally more profitable for our Government to encourage trade with Germany than with the United States of America.

If I purchase goods from you to-day, the customs at this end first add 10 per cent to the declared value of your goods, and then on the total amount they demand a duty of 40 per cent plus an extra 40 per cent on the amount of duty payable. This is their reply to the crushing tariff which you have put on our wood, meat, butter, cheese, etc. If every other foreign country is treating your exports in the same fashion, the Yankee export trade, which has been built up at considerable expense to the manufacturer is going to get a big knock back, for which you can thank your own politician.

This letter proves the actual operation of the retaliatory tariffs passed against us, and further shows that no rates should at this time be changed. Should they be, we would be worse off than we are now. The letter also proves that rates are too high and that there can be no real resumption of world commerce until they are placed on an equitable basis. The solution of the tariff muddle at this time lies in making reciprocal agreements with all foreign countries based on the theory of the greatest good to the greatest number of American citizens.

#### OIL TARIFF

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McGUGIN. Mr. Speaker, in considering the question of protection for the American oil industry from ruthless foreign competition the country is fast reaching the conclusion that this administration is opposed to protection for oil. I am not aware that President Hoover has ever voiced his opposition to tariff protection for the American oil industry; however, I am very confident that he has never publicly expressed his support for tariff protection for the oil industry.

I do know that two members of the Cabinet are opposed to protection for American oil. I know that these two members have voiced their opposition to protection for the American oil industry from free and unlimited foreign competition. Still another member of the Cabinet, together with his family, is a financial beneficiary of the free im-

portation of foreign oil. I refer to Secretary Mellon. The Gulf Oil Co., which is largely owned by the Mellon family, is one of the four great importers of foreign oil. An official of this company was recently quoted in the New York Times as saying that the Gulf Oil Co. was taking advantage of the present depression and virtually buying the American oil industry on the courthouse steps. The present prices of the American oil industry in all of its parts are distressed because the Gulf Co., together with Standard of Indiana, Standard of New Jersey, Gulf, and Shell, are pouring their oil into this country duty free.

It seems inconceivable that the President could really be for a tariff on oil while three or four members of his own Cabinet are so openly opposed to it. If, indeed, the President favors a tariff on oil, a great injustice is being done to him. The people of the country engaged in the American oil industry have very generally reached the conclusion that he is opposed to a tariff on oil.

If the President and the Republican Party are particularly interested in carrying any of the oil States this fall, it is about time for the administration through the President to take its definite stand on this question. This morning I received a letter from Mr. C. O. Ross, an oil operator at Coffeyville, Kans. Mr. Ross is one of the old pioneers of the American oil industry. He made his way from a tool dresser to a successful operator. Three or four years ago he was worth a half million dollars. To-day it is a question as to whether or not he is worth anything, yet he owns the same oil property that he owned at that time. His market has been destroyed by foreign competition. It is the property of men like Ross that the Gulf Oil Co. is now buying at distressed prices. Mr. Ross has been lifelong Republican. In the early part of his life the best that he could do for his party was to give it his vote and his personal support. In later years and during the days of prosperity he contributed liberally to the campaign funds of the Republican Party. In his letter to-day he states:

In regard to the oil tariff I will say that I have read Wilbur's stand on the tariff. It is my idea that his stand is the administration's stand. I have also read the answers of Congressman DISNEY and Thurman Hill to Wilbur's statement. (Congressman DISNEY is the Democratic Congressman from the Oklahoma district. Thurman Hill is a Democratic member of the Kansas Public Service Commission.) It is beginning to look like that if the American industries which are in distress are to receive any relief or protection, it will have to come in a large measure from the Democratic vote.

The sentiments here expressed by Mr. Ross, a lifetime Republican, reflect the sentiments of thousands of lifetime Republicans in the Central States and in the oil States. In this situation this Republican administration is not receiving a lick amiss. It richly deserves this condemnation from lifelong Republicans of the oil industry. The President has remained silent on the subject. A Republican Cabinet member is personally benefited by the importing of foreign oil and another Cabinet officer, that highly philosophical gentleman in the Interior Department, is continually going out of his way to give the oil industry an academic lecture on tariff. A Republican Ways and Means Committee in the last session of Congress turned a cold shoulder upon protection for oil. With such a record nothing could be expected except universal condemnation in the American oil industry of the Republican administration.

While the Republican Party in this statement of Mr. Ross is not receiving any condemnation which it does not deserve, yet the Democratic Party is for the time being receiving some praise which it does not deserve. Before this session of Congress is over the Democratic Party is not going to be in that favored position unless it changes its course. Tariff bills must originate in this House of Representatives. Tariff bills must first be passed upon by the Ways and Means Committee of this House. The Democrats have control over this House. They can have a tariff on oil out of the Ways and Means Committee and passed in this House within a week's time, if it is, indeed, the disposition of the Democratic Party to give the justice to the oil industry which has been denied to it by this adminis-



tration and by the last House, which was under the control of the Republican Party.

In the fullness of time the last person in the oil industry is going to understand fully that the sole responsibility for a tariff on oil now rests upon the Democratic majority of this House. Up to date nothing has happened which indicates that the Democrats have any intention of doing anything else with the oil tariff other than to try to use it as a political football. The responsibility which is now in the hands of the Democratic Party in this House is going to make it impossible for the Democrats to continue to do nothing and profit by the betrayal of the oil industry by the Republican Party.

Everything which has happened to date indicates that the Democratic majority of this House is actually hostile toward the American oil industry. In the Democratic caucus, where no one voted except Democratic Members of this House, the gentleman from Kansas [Mr. AYRES] and the gentleman from Oklahoma [Mr. SWANK] were defeated for membership on the Ways and Means Committee. These two gentlemen are Democratic Members of this House with many years of service to their credit. Their loyalty and regularity to their party is not to be questioned by anyone. By all the rules of seniority and party precedent they were entitled to places on the Ways and Means Committee almost as a matter of right. The gentleman from Kansas [Mr. AYRES] represents a great independent oil district and has a great independent oil constituency. Thousands of his constituents are facing bankruptcy and are in financial distress while the Mellons, Rockefellers, and foreign capitalists are directly profiting by this distress. They are profiting because the Mellons are importing, free of duty, oil into this country through their company, the Gulf Oil Co. The Rockefellers are likewise profiting because their companies, Standard Oil of Indiana and Standard of New Jersey, are importing oil into this country duty free. The foreign capitalists are profiting because their company, the Royal-Dutch Shell, is importing oil into this country duty free.

The gentleman from Oklahoma [Mr. SWANK] has in his district one of the largest oil fields in America. I refer to the Oklahoma City field. Thousands of his constituents are in similar distress with the constituents of the gentleman from Kansas [Mr. AYRES]. It was generally known that Mr. AYRES and Mr. SWANK wanted places on the Ways and Means Committee in order that they might be of service to the independent oil industry of the United States. It is obvious that they were defeated in the Democratic caucus because they wanted a tariff on oil. It is obvious that the Democratic Members of this House in their own caucus repudiated the traditions of their own party in spurning the principles of seniority in order to keep these two gentlemen off the Ways and Means Committee, where they could be of service to the American oil industry. This was not injury enough; they added insult to the injury. One of the men who defeated Mr. AYRES and Mr. SWANK for places on the Ways and Means Committee was a gentleman from Massachusetts who is now serving his second term in this House.

In the last session of Congress the foremost opposition to tariff on oil came from the associated industries of Massachusetts. These industries want cheap fuel oil. They can obtain cheap fuel oil by the free importation of foreign oil. These same industries are willing to destroy alike the American oil and coal industries so they may have cheap fuel oil. These same industries have been pampered by tariff for a hundred years. They now would deny tariff protection for one of the four great industries of America. In doing so they would destroy two of the five great industries of the Nation. They were able to have their way in the Ways and Means Committee in the last session, which was under the control of a Republican organization. They are well on their way to have their way again in this session in a Ways and Means Committee under the control of the Democratic Party. At any rate, they have been able to place one of their junior Members in Congress on the Ways and Means Committee by defeating two of the senior Members of Congress,

Mr. AYRES and Mr. SWANK, who were in favor of a tariff on oil. These selfish industries made this great accomplishment in the Democratic caucus, where only Democratic Members were voting.

The Democratic Party has what it calls a policy committee. This policy committee is a hand-picked committee of Democratic leaders in the House of Representatives and in the United States Senate. This policy committee is to outline the program which the Democratic Party is to follow in this session of Congress in both Houses of Congress. When we look over the personnel of this policy committee, it would look as if it were a packed committee against a tariff on oil.

Mr. TYDINGS, of Maryland, and Mr. WALSH, of Massachusetts, are two Senators on this policy committee. There has been no opponent more scathing, bitter, and uncompromising to a tariff on oil than the Senator from Maryland, Mr. TYDINGS. To-day we find him on this powerful policy committee which is to prescribe the manner in which Democratic Members of both the House and the Senate must vote on important questions in this session of Congress.

The Kansas delegation in this House, 7 Republicans and 1 Democrat, and the Oklahoma delegation, 1 Republican and 7 Democrats, have each unanimously signed a written request to this policy committee begging the committee to make it a part of the Democratic policy to give tariff protection for the great independent oil industry which is to-day going down into bankruptcy.

If the Democratic Party continues to desert oil as the Republican Party has deserted it, then the Democratic Party likewise is going to receive the rebuke which it richly deserves from the oil-producing States.

This morning I received a letter from a Kansas Democrat. That letter is from my good friend Barney Weber, of Hays, Kans. He was a Democratic member of the State legislature when I was a member in 1927. He states in part:

I will give you a few lines on the general conditions in this country. Wheat is selling from 20 to 37 cents a bushel, corn from 18 to 25 cents a bushel, live hogs from 2½ to 3 cents a pound, and good cows for \$20 per head.

I should like to ask you to make a hard fight for a tariff of at least \$1 a barrel on foreign oil. That alone and above all would bring great relief to the Central States. It would mean the saving of many homes, and also bread and butter for the children. So please all you Congressmen put on your fighting clothes and give us what rightfully belongs to us.

Mr. Weber is correct; a tariff on oil will materially benefit the farmers in the Central States. It will assist every farmer, because preserving the American oil market for the American oil industry will put thousands of people to work in the oil fields. These people will be able to buy the products of the farm. In the oil-producing States and in the prospective producing States oil development will reopen, and millions of dollars will be paid to the landowners in the form of lease rentals.

The letter from Mr. Ross is fair warning to this Republican administration and the Republican Party of the Nation that the Republicans of the Central States are not going to tolerate any horseplay with the oil tariff. This letter from Mr. Ross is more than a letter from one citizen. It reflects the sentiments of tens of thousands of lifelong Republicans from the Central States. The letter from Mr. Weber reflects the sentiments of tens of thousands of Democrats in the Central States, and it is fair warning to the Democratic Party that these Democrats of the Central States are not going to tolerate any horseplay with the oil tariff by the national Democratic Party.

These Democrats and Republicans of the Central States are as deeply in earnest as they are in distress in their demand for justice for the American oil industry. They are so deeply in earnest that the national Democratic Party and the national Republican Party need not for one moment think that they both can play horse on the oil question and make these Democrats and Republicans of the Central States line up with their respective parties. If there is an independent candidate for the Presidency in 1932, it will not be brought about in the first instance by the Republicans



and Democrats in the central West. It will have been forced by the Democrats and Republicans of the Nation by both of them dodging their responsibility to deal justly and fairly with the great section of the country which depends so much upon agriculture, oil, coal, and copper.

When we associate the oil question with our present political alignments we find much irony in the situation. The Democrats love to spend much time denouncing Secretary of the Treasury Mellon. The progressive and Northwest insurgents likewise like to spend much of their time in denouncing Secretary of the Treasury Mellon. Yet in actual practice, when they are considering the oil question, both the Democrats and the progressive-insurgents line up and faithfully serve Mr. Mellon. They have heretofore been voting against a tariff on oil; when they have done this they have enriched Mr. Mellon. They have served him, the Rockefellers, and the foreign oil interests as faithfully as if Mr. Mellon, Mr. Rockefeller, and the foreign oil interests had financed their campaigns. When they vote against a tariff on oil they leave millions of American citizens engaged in the oil industry helpless in the clutches of Mr. Mellon, the Rockefellers, and the foreign oil interests. When they vote against a tariff on oil they vote to take the American market away from the independent American oil industry and give it over free of charge to Mr. Mellon's company, the Gulf; Mr. Rockefeller's companies, Standard of Indiana and Standard of New Jersey; and to the Shell Co., which is owned by foreign interests. Mr. Mellon has received greater political dividends from the hands of the insurgents and Democrats than he has ever received from any other party organization. They take the American market from the American oil industry and give it to Mr. Mellon, and he does not have to invest one red penny as a political investment.

A prominent officer in Mr. Mellon's company came out and advertised and boasted that the Gulf is buying up the American oil industry at distressed prices. He further boasts that he can not tell what are the huge profits from the Gulf Co. until he gets reports from Venezuela, Mexico, and other parts of the world. About the only satisfaction which the independent oil industry can get out of this situation is that it knows that there will be poetic justice when the people of the South and the Northeast and all of the non-oil-producing States are bled white, when Mr. Mellon, Mr. Rockefeller, and the Royal Dutch Shell interests have finally been able to monopolize the American oil industry by buying up the American independent oil property at bankrupt sales. These same companies have been selling their gasoline in Venezuela, where there is no competition, for 39 cents a gallon. They have been shipping their gasoline, produced from the same oil and refined in the same refineries, into the United States duty free and destroying the independent oil industry of America by selling it in wholesale for something like 4 cents a gallon and through their retail stations from 14 to 19 cents a gallon. The situation is fast driving the independent oil industry out of business. When this is done, it will be 39-cent gasoline and maybe 50-cent gasoline in the nonproducing States.

#### EXTENSION OF REMARKS

Mr. COLLIER. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the tariff bill and those who will speak on that bill to-morrow have five legislative days within which to revise and extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

#### THE NATIONAL RIVERS AND HARBORS CONGRESS

Mr. WILSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the National Rivers and Harbors Congress.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understand, when a Member asks permission to revise and extend his remarks in the RECORD he means his own remarks.

The SPEAKER. That is as the Chair understands. When a gentleman asks unanimous consent to extend his own remarks, it means his own remarks.

Is there objection to the request of the gentleman from Louisiana [Mr. WILSON]?

There was no objection.

Mr. WILSON subsequently said: Mr. Speaker, I had unanimous consent to extend my remarks in the RECORD on the National Rivers and Harbors Congress. In this there were quotations from statements made by four Presidents of the United States and also a statement of Mr. REID, the present president of the congress, and the resolutions passed at the last session of the congress. I ask unanimous consent to include these in my extension of remarks.

There was no objection.

Mr. WILSON. Mr. Speaker, the Twenty-seventh Annual Convention of the National Rivers and Harbors Congress was held in Washington on the 8th and 9th of last December, and I wish to take this opportunity of calling attention to the work of that body, as well as to pay a tribute of respect to the retiring president, Hon. Joseph E. Ransdell, of Louisiana, and to congratulate the new president, Hon. FRANK R. REID, of Illinois, upon his election to that office, in which I had the honor to serve five terms.

#### CONGRESSMAN REID BRILLIANT LEADER

Congressman REID of Illinois, the new president, is splendidly equipped to carry on the work of the National Rivers and Harbors Congress. He is fearless, progressive in his ideas, young, brilliant, and active.

He has been a Member of Congress for five terms, and during the three terms served as chairman of the House Committee on Flood Control. He was the coauthor of the Reid-Jones flood control act, passed after the great flood of 1927 on the Mississippi River, one of the greatest pieces of constructive legislation ever enacted in this or any other country. His mastery of the intricate problems involved in connection with this difficult question, and his brilliant leadership in carrying on the fight for the bill in the face of the determined opposition of the leaders of his own party, proved that he is the type who knows what he wants and knows how to get it.

Congressman REID's service in Congress follows a long career in the public service—as a member of the Illinois Legislature, as assistant United States attorney at Chicago, as assistant corporation counsel of the city of Chicago, as State's attorney, and as county attorney of Kane County, Ill.

He brings to the Rivers and Harbors Congress an intimate knowledge of the problem of waterway development and use. I congratulate the congress upon securing such a leader, and I am confident that under him the organization will have a rebirth of activity and usefulness to the entire Nation.

#### FIVE PRESIDENTS INDORSE CONGRESS

The National Rivers and Harbors Congress is recognized as one of the most potent and powerful influences for constructive and worth-while public service that exists in this country.

Five Presidents of the United States have given it their hearty approval and commendation, from whom I quote the following:

Your association, which has now had a fine existence of some 23 years, has found that with each year the problems confronting waterway development shift in their intensity first into one quarter and then into another. I have the belief that the largest of our problems, the largest of our economic problems for the future, will lie with water rather than with land. Therefore the purpose and usefulness of your association increases just in that proportion.

HERBERT HOOVER.

A special word is due the National Rivers and Harbors Congress. It is the one organization that is advocating a waterway policy and not a waterway project, and is national in its scope, for it represents practically all the friends of waterway improvements in the United States. Its work being strictly national, and in no sense local or sectional, merits and should receive the support of our citizens.

THEODORE ROOSEVELT



Perhaps the greatest influence toward the framing of a broad, comprehensive, progressive policy of river and harbor improvements is being exercised by the National Rivers and Harbors Congress. Its motto is "A policy, not a project." Through its work the question of waterway improvements has been most prominently and favorably brought before the public. It urges the appropriation of \$50,000,000 per annum. Such a policy has my hearty approval.

WM. H. TAFT.

The value of important waterways and the commerce development of the country can not be exaggerated, and the necessity that the Federal Government should adopt a definite and fixed policy that will provide for their speedy improvement must be evident to everyone who considers the matter at all. It gives me great pleasure to express my deep interest in all that the National Rivers and Harbors Congress is doing.

WOODROW WILSON.

Organizations like this are of great assistance, great help, and great public benefit. You are in the performance of a patriotic service in carrying on your organization. You are assisting in the development of public opinion, assisting in the direction of legislation, and in opening up the avenues of commerce and investment. You are ministering to civilization.

CALVIN COOLIDGE.

#### 356 DELEGATES FROM 30 STATES ATTEND CONVENTION

The convention just held was one of the most memorable and interesting of those held during the 30 years of the organization's existence. It was attended by 356 delegates from 30 States and the District of Columbia, and the enthusiasm and interest of those present set a new high-water mark.

The sessions of the convention were held in the assembly hall of the Willard Hotel in this city, where the annual banquet was also held on the evening of the first day's session.

Addresses were delivered on many phases of the waterway problem by outstanding leaders and authorities on the subjects covered. Among these may be noted the following:

Address by Maj. Gen. Lytle Brown, Chief of Engineers, United States Army, on Federal Task in River and Harbor Improvement.

Address by Senator OTIS F. GLENN, of Illinois, on the Port of Chicago.

Address by John F. Galvin, chairman of the Port of New York Authority, on Federal Aid for an Improved Barge Canal.

Address by A. J. P. Vandermyn, president of the Port of Pittsburgh Propeller Club of the United States, on the subject What Price Rivers?

Address by A. S. Nunez, chairman of the finance committee, New Orleans Board of Port Commissioners, on New Orleans and the Valley.

Address by George B. Wright, of Detroit, Mich., freight traffic manager of the Detroit and Cleveland Navigation Co., on Vanishing Rail and Lake Package Freight.

Address by G. H. Pouder, director of the Export and Import Bureau, Baltimore (Md.) Association of Commerce, on the Port of Baltimore.

Address by Gilbert A. Youngberg, of Jacksonville, Fla., colonel, (Engineers), United States Army, retired, on the Gulf-Atlantic Ship Canal.

Address by Alex W. Acheson, of Denison, Tex., a director of the Mississippi Valley Association, on the Great Southwest.

Address by Representative CHARLES H. BRAND, of Georgia, on the Savannah River.

Address by Representative RILEY J. WILSON, of Louisiana, on Flood Control and Navigation.

In addition to these addresses, two very informative and excellent symposiums were held, the first on the Lake Erie-Ohio River Canal and the second on the Future of Transportation. The subjects assigned were thoroughly covered by the speakers, and the ensuing open-forum discussions were lively and enjoyable.

The deliberations of the convention were presided over by Senator Ransdell as president of the congress in his usual able manner, and much credit for the success of the gathering is due to the veteran secretary-treasurer, S. A. Thompson, who has served 20 years in that capacity.

#### SECRETARY OF WAR HURLEY TOASTMASTER AT BANQUET

The annual banquet, always a notable feature of the conventions, continued the past record for enjoyment and entertainment. Hon. Patrick J. Hurley, the Secretary of War, acted as toastmaster; Representative SOL BLOOM, of New York, associate director of the United States Bicentennial Commission, delivered an inspiring address on George Washington the Builder, and Dr. John Bellamy Taylor, consulting engineer of the General Electric Co., repeated his highly entertaining demonstration of former years of "audible light."

Music was furnished by a section of the world-famous Marine Band Orchestra, and two splendid entertainers contributed enjoyable sketches.

The concluding session of the convention was opened with another feature of the annual meetings—the roll call of States—when short addresses were made by speakers selected by each of the delegations from the various States and the District of Columbia.

#### CONGRESS "ADVOCATES A POLICY, NOT A PROJECT"

The slogan of the National Rivers and Harbors Congress concisely states the aim and policy of the body—"Advocates a policy, not a project." This policy has been consistently followed, and to it may be attributed the harmonious working of the congress throughout the years. Factional discord has been avoided; the inevitable friction which would undoubtedly result if the congress should attempt to go on record as a body in favor of this or that project, however meritorious, has been eliminated; and the congress has worked unceasingly for the broad, general principle of the improvement of all rivers and harbors, wherever merited.

The statement of purposes recommended by the committee on resolutions was unanimously adopted, and placed the congress on record in favor of the improvement of all harbors and waterways approved by the Corps of Army Engineers, and the completion of all authorized projects within the shortest possible time.

The Congress of the United States was urged, in view of the present economic condition and the widespread unemployment, to provide the necessary appropriations in order that all authorized river, harbor, and flood-control projects may be intensively prosecuted. The Congress was also urged, because of the present Treasury deficit, to authorize the issuance of bonds, when necessary, to provide the money for carrying on the work in order to relieve unemployment and stimulate business conditions generally.

The statement of purposes is as follows:

#### NATIONAL RIVERS AND HARBORS CONGRESS STATEMENT OF PURPOSES, ADOPTED DECEMBER 9, 1931

The National Rivers and Harbors Congress in its twenty-seventh annual convention assembled adheres to its purpose of advocating the improvement, for the fullest use by the American people, of all harbors and waterways approved by the Corps of Army Engineers.

This congress advocates no particular project, but stands for a broad national policy of river, harbor, and flood control improvements where economically sound and conducive to the fullest development of our country.

We urge as a sound national policy the completion of all authorized projects within the shortest possible time. In view of increased authorization of additional projects in the last river and harbor and flood control acts, because of the general economic situation, we urge the Congress of the United States to provide by appropriations such necessary increase of funds as will in good faith permit the Secretary of War and the Chief of Engineers to proceed with the intensive prosecution of river, harbor, and flood control projects authorized by the Congress, and, if necessary, authorize the issuance of bonds therefor. Additional provisions for funds as outlined herein should be made for new projects as they are adopted and for a comprehensive flood-control plan.

We thank President Hoover for his continued able leadership in this national development and for the progressive and orderly manner in which this policy is being carried forward by his administration. We express appreciation also for the friendly and consistent attitude of the Secretary of War, the Hon. Patrick J. Hurley, and the Chief of Army Engineers, Gen. Lytle Brown, and his assistants. We renew our expression of confidence in the integrity and ability of the United States Corps of Engineers, and heartily commend them for their splendid work.

We commend the Congress for the progress being made in extending waterway transportation, and urge in the interest of labor, industry, agriculture, and commerce that the Congress con-



tinue its policy and make possible the intensive prosecution of these works of improvement.

We believe that the standardization of channels in our rivers and harbors will greatly increase the efficiency and economy of navigation, and we therefore request that standardization of channel depths be adopted by the Congress as a policy and carried out where practicable to do so. We urge the development of adequate standardized terminal and interchange facilities in order to coordinate to the fullest degree our waterways, our railways, and our highways. In order to coordinate rail and water transportation, it is proper and necessary that trunk lines, for ocean-going vessels as well as for barges, be established along the shortest practicable routes as a means toward the most economic transportation; and to that end the Army engineers are urged to complete the studies necessary to bring this about.

We note with regret and disfavor the continued operation of Army and Navy transports and of the Government-owned Panama Railroad Co. steamship lines in competition with privately operated services, and urge that they be discontinued to the end that all sections of the country shall be on an equality in bidding for materials and supplies used by the Government.

We recommend that the National Rivers and Harbors Congress, in convention assembled, indorse and recommends to the Congress of the United States a national policy of Federal grants in aid to any State for the improvement of its inland waterways, similar to grants in aid of States for vehicular highway improvements, provided that the State-owned waterway constitutes a through route for interstate commerce.

We suggest that the incoming board of directors select a regional committee of at least seven members to recommend ways and means of broadening and of developing the activities of the National Rivers and Harbors Congress.

We are unalterably opposed to any regulation or curtailment of the free usage of our inland-water highways. They are open highways of commerce for the benefit of the public, and should be kept forever free.

The day following the convention the following delegation called upon the President, the Vice President, and the Speaker of the House of Representatives, presenting to them copies of the foregoing statement of purposes:

Representative FRANK R. REID, of Illinois, president National Rivers and Harbors Congress; Representative JOHN H. OVERTON, of Louisiana; Representative RILEY J. WILSON, of Louisiana; Charles H. McBride, Holland, Mich.; Phil K. Rodgers, Pittsburgh, Pa.; John L. Darrouzet, Galveston, Tex.; Robert Isham Randolph, Chicago, Ill.; Cleveland A. Newton, St. Louis, Mo.; Col. Clarence B. Douglas, Tulsa, Okla.; Col. James M. Thomson, New Orleans, La.; S. A. Thompson, Washington, D. C., secretary National Rivers and Harbors Congress; William H. Webb, Washington, D. C.; John A. Fox, St. Louis, Mo.; Cornish Bailey, Washington, D. C.; Frank P. Leetch, Washington, D. C.; Judge L. H. Gaines, of Mississippi; Lachlan Macleay, St. Louis, Mo.

The delegation was cordially received at all three conferences, and was especially encouraged when assured by Speaker GARNER that he was in favor of an annual appropriation of \$100,000,000 for river and harbor improvement work throughout the country.

#### STATEMENT OF PRESIDENT REID

The new president of the congress, Congressman REID of Illinois, issued a statement following the call upon President Hoover which epitomizes the policy and purpose of the congress, and so aptly expresses the underlying thought in the congress's emblem, "Road, rail, river—the transportation trinity," that I include it in these remarks, as follows:

The National Rivers and Harbors Congress has a very important part to play in the national development policy for inland and coastwise waterways and for the harbors of the coasts and the Great Lakes. Under my administration it will actively support all worthy approved projects in all parts of the country. It will actively support any well-considered plan by Congress for placing river and harbor improvements on a more businesslike financial basis. It will uphold the Engineer Corps in its requests for funds to carry on the work. It will resist with all of its force and influence any attempt to place waterway carriers under restrictive control which would threaten the free and economical use of these great transportation routes in the interests of the shippers. Believing that the greatest problem facing industry and agriculture in our country is the one of distribution, the National Rivers and Harbors Congress will cooperate actively with the sectional and local organizations in all parts of the United States to assist in strengthening and developing our national policy for the use of the waterways in the people's service. There will be no attempt to attack or to injure any other form of transportation. What the shippers of the United States must have is a great coordinated transportation service consisting of railways, highways, waterways,

airways, and pipe lines, cooperating to give the people the most efficient and lowest cost system for the distribution of their goods and products that it is possible to develop.

SENATOR JOSEPH E. RANDELL, PRESIDENT EMERITUS, AND THE NATIONAL RIVERS AND HARBORS CONGRESS

During the past generation few, if any, names have been more closely associated with the improvement of waterways for navigation and flood control than that of Hon. Joseph E. Ransdell, of Louisiana. His home was on the banks of the "Father of Waters" and his cotton plantation was subject to overflow in time of flood. Because of his own personal interests, therefore, as well as the interests of his congressional district and his State, it was only natural that he should devote himself especially to questions of navigation and flood control during the whole of his 32 years of service in the Congress of the United States.

He became a Member of Congress in 1899, and at the beginning of his second term in the House he was appointed a member of the Committee on Rivers and Harbors. He served continuously on this committee for 12 years, and following his election to the Senate he was immediately appointed to the Committee on Commerce, with which he continued until the end of his term in March of 1931.

In March, 1901, the late Senator Tom Carter, of Montana, talked a rivers and harbors bill to death in the closing hours of Congress. The reason alleged for his action was that the House conferees refused to agree to a Senate amendment appropriating certain sums for irrigating lands in arid sections of Montana where, as Chairman Burton said, "There were no streams deep enough to float a birch-bark canoe." Angered and disappointed at the defeat of this bill, which contained many important projects and which carried appropriations aggregating some \$56,000,000, the friends of waterways called a national congress on rivers and harbors, which met in Baltimore on the 8th of October, 1901.

Representative Ransdell was a delegate to this convention and made an address in which he said:

We have had grand waterway assemblies which brought together the people of one portion of the country, but we have never brought together people of all portions of the country before. Now, we are here from every portion of the United States and, while we are here, I think we ought to organize. We ought to create here and now the national rivers and harbors association and let this national rivers and harbors association gather under its wing and under its protecting folds the various rivers and harbors associations throughout this country.

This suggestion was acted on to the extent that Mr. George E. Bartol, of Philadelphia, was elected president of the organization and an executive committee of seven members was appointed. The proceedings of the convention were published, after which the activities of the organization were suspended for four years.

In May, 1905, the Ohio Valley Improvement Association took the Committee on Rivers and Harbors down the Ohio River from Pittsburgh to Cairo on the steamer *Queen City*. Addressing a banquet given to the committee in Cincinnati, Mr. Ransdell again and more strongly urged the immediate formation of a national association which would work, not for any particular object but for a broad, progressive, truly national policy of waterway improvement. This time the suggestion met with enthusiastic approval and, not long thereafter, at a conference of delegates from several waterway associations which was held in Cincinnati, it was decided to ask the executive committee appointed at Baltimore to issue a call for a national waterway convention to be held in Washington the following January. This meeting convened in the old Arlington Hotel on January 15, 1906.

At this convention it was decided to retain the name adopted at Baltimore, but to reorganize the congress and begin active and aggressive work at once. Hon. Harvey T. Goulder, of Cleveland, general counsel of the Lake Carriers' Association, was elected president, and an executive committee was created with plenary power to carry out the plans of the organization, of which committee Mr. Ransdell was made chairman. Another convention was held in Washington in December of the same year, at which Mr. Ransdell



was made president. He held this position until 1919, when he was relieved at his own request, being succeeded by Hon. John H. Small, who was at that time a Representative in Congress from North Carolina. Mr. Small served for six years and was followed by myself. I served for five years, after which Senator Ransdell again became president for one year, when he was elected president emeritus of the congress, and Hon. FRANK R. REID, Member of Congress from Illinois, became the active president.

For 15 years before the work of the reorganized National Rivers and Harbors Congress began, rivers and harbors bills were passed only once in three years. When Chairman Alexander presented the rivers and harbors bill of 1910 to the House, he said:

The work of the National Rivers and Harbors Congress has so developed sentiment throughout the country in favor of waterway improvements that the committee feels justified in announcing that rivers and harbors bills will hereafter be presented annually, instead of once in three years as is now the custom.

Rivers and harbors bills now are devoted to authorizations instead of appropriations, but there has been no year since 1910 without an appropriation for rivers and harbors work.

Another result of the continuous and nation-wide campaign of education carried on by the National Rivers and Harbors Congress was a marked increase in the amount appropriated for improvement of rivers and harbors. In the 20 years before the active work of the congress was begun appropriations for rivers and harbors amounted to a little more than \$362,000,000. In the succeeding 20 years the amount was increased to more than \$706,000,000. From April 6, 1802, when the first appropriation was made, up to June 30, 1906, appropriations for rivers and harbors amounted to \$512,363,131.28. From the latter date to June 30, 1931, appropriations for rivers and harbors, including flood control, have amounted to \$1,415,908,127.63.

While the work of other waterway organizations contributed largely to this result, it is much more than a coincidence that during the 25 years that the congress has been actively at work appropriations for rivers and harbors, including flood control, have been greater by \$903,545,000 than they were during the previous 104 years.

By far the best provisions for the benefit of waterways and water transportation which have ever been written into our statutes are contained in the transportation act of 1920. When the bills for the return of the railroads to the control of their owners after the World War were under consideration, the National Rivers and Harbors Congress asked the waterway and commercial organizations of the country to unite in forming a special committee on transportation legislation, and most of the waterway provisions of the transportation act appear therein just as they were formulated by this committee.

The most fundamental and far-reaching of the waterway legislation contained in the transportation act of 1920 is found in the first paragraph of section 500, which has been called the "Magna Charta" of waterways, and which reads as follows:

It is hereby declared to be the policy of Congress to promote, encourage, and develop water-transportation service and facilities in connection with the commerce of the United States and to foster and preserve in full vigor both rail and water transportation.

The first suggestion for the inclusion of a provision of this character was made by Mr. S. A. Thompson, secretary of the National Rivers and Harbors Congress, in an address before the Committee on Interstate and Foreign Commerce on September 26, 1919. Senator Ransdell appeared before the Commerce Committee of the Senate, and it is due to his able and efficient presentation of the matter that this provision was inserted by the committee and was finally enacted into law.

The first real recognition of Federal responsibility for the control of floods in the Mississippi Valley was the passage, in 1917, of the Ransdell-Humphreys bill, which authorized \$45,000,000 for flood-control work. Credit for the passage of this measure in the Senate was accorded to Senator Ransdell, who had charge of it in that body and tactfully

removed the opposition of Senator Newlands and other western Senators by promising aid in passing the national waterway commission bill, which became law a few weeks later.

In 1923, again with the active support of Senator Ransdell, a further expenditure of \$60,000,000 for flood-control work was authorized. It goes without saying that he earnestly advocated the colossal program of flood-control work which is now being carried out.

It is, of course, impossible to mention all the activities or set down all the results obtained by the National Rivers and Harbors Congress in its 25 years of work, nor is it possible to picture adequately the benefits which have come to the country from the improvement of our rivers and harbors which has been so ably advocated by the congress, but some little indication is afforded by the figures given below.

In 1920 a new and greatly improved method of gathering statistics of water-borne commerce was inaugurated. Excluding ferry traffic and eliminating all known duplications, the water-borne commerce of the United States during the 11 years from 1920 to 1930, inclusive, presents these impressive totals:

	Tons	Value
Foreign traffic.....	1, 233, 288, 494	\$92, 565, 144, 506
Domestic traffic.....	4, 005, 091, 506	146, 901, 855, 494
Total traffic.....	5, 238, 380, 000	239, 467, 000, 000

Senator Ransdell has been continuously and actively connected with the National Rivers and Harbors Congress from its beginning. He advocated its organization in 1901, and its reorganization in 1906 was made along lines suggested by him. He was its president for 14 out of its 25 years of public service and chairman of its executive committee during the other 11. The results it has achieved are largely due to his initiative in planning and his energy in carrying those plans to a conclusion. His active interest in the congress and its work will continue so long as his life lasts.

#### SESSIONS OF COMMITTEE ON LABOR

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. CONNERY]?

There was no objection.

Mr. CONNERY. Mr. Speaker, I asked for this half minute to inform the membership of the House that the Committee on Labor will hold hearings, beginning on next Wednesday, January 13, on all bills which have been referred to the committee on the prevailing rate of wages. We expect to hear the Members of the House who care to appear before the committee, beginning Friday, January 15.

#### RECONSTRUCTION FINANCE CORPORATION

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an amendment which I expect to offer to the Reconstruction Finance Corporation bill when it comes up for consideration in the House.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, the Reconstruction Finance Corporation bill as introduced in the House and Senate provides for some very dangerous legislation unless it is materially amended. Of course, I do not know what form the bill will take before it is reported by the House Committee on Banking and Currency. Neither do I know what amendments will be placed on it in the Senate. I certainly hope very much that it will be materially amended before it becomes law.

The original bill creates a most powerful corporation with almost unlimited funds and leaves the corporation to make loans and handle these enormous funds just as the corporation may determine, without any reasonable restrictions. This is a very dangerous thing to do.



Congress should never create a tremendous governmental agency without knowing what Congress wants the agency to do, and Congress should in specific terms delegate to the agency not only certain definite powers but also full instructions as to how the legislative will is to be carried into effect.

Our country is suffering to-day because of the centralization of too much financial and political power in the hands of a few appointees as heads of bureaus, boards, and other political or governmental organizations.

It would be infinitely better for the so-called reconstruction bill never to be passed than for it to pass without specific limitations as to whom and how the funds are to be loaned.

The War Finance Corporation act is being pointed out as a precedent for this bill. If one will take time to read the War Finance Corporation act, it will be found that that splendid piece of legislation was very specific in the details that governed the loans to be made by the corporation. The bill was amended from time to time and each amendment made the powers of the corporation to make loans more and more specific.

The original War Finance Corporation act was passed before I came to Congress, but some of the amendments to the act were adopted after I became a Member of this body, and I am very happy over the fact that I helped to write and secured an adoption of an amendment making that act very much more helpful to the farmers of the country who are now suffering so much. I wish the War Finance Corporation act had remained of full force and effect until the present. I feel that most of the banks which are now closed in our country would still be open and doing business. The act as finally amended was most beneficial to the farmers in that it enabled the banks handling farmers' paper to rediscount their notes and other obligations and kept the farmers' paper from becoming frozen. It not only helped the credit of the banks handling the obligations of the farmers but also gave the farmers a better line of credit and helped them get money they needed for production and other purposes.

The present bill to create the reconstruction finance corporation should go even further than the War Finance Corporation act and give assistance to more people instead of to less people. I fear the present bill would not help the farmers or common people, but would only help stock dealers, large bondholders, and other very wealthy people and organizations who really do not need help.

It is my purpose when the bill comes up to offer an amendment to it making it as good a bill as the War Finance Corporation act and making provision for the assisting of some people not aided directly by the War Finance Corporation act. Of course, I will not offer all my amendment if any part of it is already placed on the bill before it reaches the House or if it is amended in the House before I am recognized to offer my amendment.

I am printing with these remarks the amendment which I have prepared and which I wish to offer. In effect it contains the provisions of the War Finance Corporation act as amended in respect to loans; also contains practically the provisions of a bill which passed the Senate and was reported favorably by the House Committee on Irrigation and Reclamation for the relief of certain irrigation and drainage districts, and also contains the material provisions of a bill which I introduced at this session of Congress to make loans to farmers who have either lost their lands by mortgage foreclosures or are facing these foreclosures.

I shall not discuss this proposed amendment further at this time. It will, if adopted, take the place of section 5 and several succeeding sections of the Reconstruction Finance Corporation bill. The amendment is self-explanatory and is as follows:

SEC. 5. That the corporation shall be empowered and authorized to make advances, upon such terms not inconsistent herewith as it may prescribe, for periods not exceeding five years from the respective dates of such advances:

(1) To any bank, banker, or trust company in the United States which shall have been made after January 1, 1929, and which shall have outstanding any loan or loans to any person, firm, corporation, or association conducting an established and

going business in the United States whose operations shall be necessary or contributory to the employment of labor or the conducting of either farming, fruit growing, dairying, mining, or other operations furnishing an opportunity for gainful employment to people within the United States and evidenced by a note or notes, but no such advance shall exceed 75 per cent of the face value of such loan or loans; and

(2) To any bank, banker, or trust company in the United States which shall have rendered financial assistance, directly or indirectly, to any such person, firm, corporation, or association by the purchase, after January 1, 1929, of its bonds or other obligations, but no such advance shall exceed 75 per cent of the value of such bonds or other obligations at the time of such advance, as estimated and determined by the board of directors of the corporation.

All advances shall be made upon the promissory note or notes of such bank, banker, or trust company, secured by the notes, bonds, or other obligations, which are the basis of any such advance by the corporation, together with all the securities, if any, which such bank, banker, or trust company may hold as collateral for such notes, bonds, or other obligations.

The corporation shall, however, have power to make advances (a) up to 100 per cent of the face value of any such loan made by any such bank, banker, or trust company to any such person, firm, corporation, or association, and (b) up to 100 per cent of the value at the time of any such advance (as estimated and determined by the board of directors of the corporation) of such bonds or other obligations by the purchase of which financial assistance shall have been rendered to such person, firm, corporation, or association: *Provided*, That every such advance shall be secured in the manner described in the preceding part of this section, and in addition thereto by collateral security, to be furnished by the bank, banker, or trust company, of such character as shall be prescribed by the board of directors, of a value, at the time of such advance (as estimated and determined by the board of directors, of the corporation), equal to at least 33 per cent of the amount advanced by the corporation. The corporation shall retain power to require additional security at any time.

SEC. 6. That the corporation shall be empowered and authorized to make advances from time to time upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding one year, to any savings bank, banking institution, or trust company in the United States which receives savings deposits, or to any building and loan association in the United States, on the promissory note or notes of the borrowing institution, whenever the corporation shall deem such advances to be necessary or contributory to the employment of labor or the conducting of either farming, fruit growing, dairying, mining, or other operations furnishing an opportunity for gainful employment to people within the United States or important in the public interest: *Provided*, That such note or notes shall be secured by the pledge of securities of such character as shall be prescribed by the board of directors of the corporation, the value of which at the time of such advance (as estimated and determined by the board of directors of the corporation) shall be equal in amount to at least 133 per cent of the amount of such advance. The rate of interest charged on any such advance shall not be less than 1 per cent per annum in excess of the rate of discount for 90-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrowing institution is located, but such rate of interest shall in no case be greater than the average rate receivable by the borrowing institution on its loans and investments made during the six months prior to the date of the advance, except that where the average rate so receivable by the borrowing institution is less than such rate of discount for 90-day commercial paper the rate of interest on such advance shall be equal to such rate of discount. The corporation shall retain power to require additional security at any time.

SEC. 7. That the corporation shall be empowered and authorized, in exceptional cases, to make advances directly to any person, firm, corporation, or association conducting an established and going business in the United States, whose operations shall be necessary or contributory to the employment of labor or the conducting of either farming, fruit growing, dairying, mining, or other operations furnishing an opportunity for gainful employment to people within the United States (but only for the purpose of conducting such business in the United States) and only when in the opinion of the board of directors of the corporation such person, firm, corporation, or association is unable to obtain funds upon reasonable terms through banking channels or from the general public, for periods not exceeding five years from the respective dates of such advances, upon such terms, and subject to such rules and regulations as may be prescribed by the board of directors of the corporation. In no case shall the aggregate amount of the advances made under this section exceed at any one time an amount equal to 12½ per cent of the sum of (1) the authorized capital stock of the corporation plus (2) the aggregate amount of bonds of the corporation authorized to be outstanding at any one time when the capital stock is fully paid in. Every such advance shall be secured by adequate security of such character as shall be prescribed by the board of directors of a value at the time of such advance (as estimated and determined by the board of directors), equal to (except in case of an advance made to a railroad in the possession and control of the President, for the purpose of making additions, betterments, or road extensions to such railroad) at least 125 per cent of the amount advanced by the corporation. The corporation shall retain power to require additional security at any time. The rate of interest charged on any such advance



shall not be less than 1 per cent per annum in excess of the rate of discount for 90-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrower is located.

SEC. 8. That in no case shall the aggregate amount of the advances made under this title to any one person, firm, corporation, or association exceed at any one time an amount equal to 10 per cent of the authorized capital stock of the corporation.

SEC. 9. That the corporation shall be empowered and authorized, in order to promote commerce with foreign nations through the extension of credits, to make advances upon such terms not inconsistent with the provisions of this section, as it may prescribe, for periods not exceeding five years from the respective dates of such advances—

(1) To any person, firm, corporation, or association engaged in the business in the United States of exporting therefrom domestic products to foreign countries, if such person, firm, corporation, or association is, in the opinion of the board of directors of the corporation, unable to obtain funds upon reasonable terms through banking channels. Any such advance shall be made only for the purpose of assisting in the exportation of such products, and shall be limited in amount to not more than the contract price therefor, including insurance and carrying or transportation charges to the foreign point of destination if and to the extent that such insurance and carrying or transportation charges are payable in the United States by such exporter to domestic insurers and carriers. The rate of interest charged on any such advance shall not be less than 1 per cent per annum in excess of the rate of discount for 90-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrower is located; and

(2) To any bank, banker, or trust company in the United States which after this section takes effect makes an advance to any such person, firm, corporation, or association for the purpose of assisting in the exportation of such products. Any such advance shall not exceed the amount remaining unpaid of the advances made by such bank, banker, or trust company to such person, firm, corporation, or association for such purpose.

SEC. 10. Whenever the board of directors of the corporation shall be of the opinion that conditions arising out of the war, or out of the disruption of foreign trade created by the war, have resulted in or may result in an abnormal surplus accumulation of any staple agricultural product of the United States or lack of a market for the sale of same or that the ordinary banking facilities are inadequate to enable producers of or dealers in such products to carry them until they can be exported or sold for export in an orderly manner, the corporation shall thereupon be empowered to make advances, for periods not exceeding one year from the respective dates of such advances, upon such terms, not inconsistent with this act, as it may determine.

(a) To any person engaged in the United States in dealing in or marketing any such products, or to any association composed of persons engaged in producing such products, for the purpose of assisting such person or association to carry such products until they can be exported or sold for export in an orderly manner. Any such advance shall bear interest at a rate not exceeding  $1\frac{1}{2}$  per cent in excess of the rate of discount for 90-day commercial paper prevailing at the Federal reserve bank of the district in which the borrower is located at the time when such advance is made.

(b) To any person without the United States purchasing such products, but in no case shall any of the money so advanced be expended without the United States. Every such advance shall be secured by adequate security of such character as shall be prescribed by the board of directors of the corporation. The rate of interest charged on any such advance shall be determined by the board of directors. The corporation shall retain power to recall an advance or require additional security at any time.

(c) To any bank, banker, or trust company in the United States which makes or has made an advance or advances to any such person as is described in paragraph (a) of this section for the purpose therein set forth or which makes or has made an advance or advances to any producer for the purpose set forth in paragraph (a). The aggregate of advances made to any bank, banker, or trust company shall not exceed the amount remaining unpaid of the advances made by such bank, banker, or trust company for purposes herein described. Such advances shall bear interest at the rates fixed by the corporation.

SEC. 11. Whenever in the opinion of the board of directors of the corporation the public interest may require it, the corporation shall be authorized and empowered to make advances upon such terms not inconsistent with this act as it may determine to any bank, banker, or trust company in the United States, or to any cooperative association of producers in the United States which may have made advances for agricultural purposes, including the breeding, raising, fattening, and marketing of livestock, or may have discounted or rediscounted notes, drafts, bills of exchange, or other negotiable instruments issued for such purposes. Such advance or advances may be made upon promissory note or notes or other instrument or instruments in such form as to impose on the borrowing bank, banker, trust company, or cooperative association a primary and unconditional obligation to repay the advance at maturity with interest as stipulated therein, and shall be fully and adequately secured in each instance by indorsement, guaranty, pledge, or otherwise. Such advances may be made for a period not exceeding one year, and the corporation may from time to time extend the time of payment of any such advance through renewals, substitution of new obligations or otherwise, but the time for the payment of any such advance

shall not be extended beyond three years from the date upon which such advance was originally made. The aggregate of advances made to any bank, banker, trust company, or cooperative association shall not exceed the amount remaining unpaid of the advances made by such bank, banker, trust company, or cooperative association for purposes herein described.

The corporation may, in exceptional cases, upon such terms not inconsistent with this act as it may determine, purchase from domestic banks, bankers, or trust companies notes, drafts, bills of exchange, or other instruments of indebtedness secured by chattel mortgages, warehouse receipts, bills of lading, or other instruments in writing conveying or securing marketable title to staple agricultural products, including livestock. The corporation may from time to time upon like security extend the time of payment of any note, draft, bill of exchange, or other instrument acquired under this section; but the time for the payment of any such note, draft, bill of exchange, or other instrument shall not be extended beyond three years from the date upon which such note, draft, bill of exchange, or other instrument was acquired by the corporation. The corporation is further authorized, upon such terms as it may prescribe, to purchase, sell, or otherwise deal in acceptances, adequately secured, issued by banking corporations organized under section 25 (a) of the Federal reserve act: *Provided*, That no purchase of acceptances of the said banking corporations shall be made except for the purpose of assisting the said banking corporations in financing the exportation of agricultural and manufactured products from the United States to foreign countries. No such acceptances shall be purchased which have a maturity at the time of such purchase of more than three years.

SEC. 12. In furtherance of the purposes of this act, to stop the foreclosure of loans on farm lands, return to original owners farm lands already taken over under foreclosure proceedings, and reclaim farm lands generally, it is provided that the corporation be, and it is hereby, authorized to (a) purchase past-due interest coupons or notes from any and all person, firms, or corporations holding same against farm lands; (b) either purchase outright or insure the payment of any and all such interest coupons or notes as shall become due on or before November 1, 1933; and (c) enter into such negotiations, perfect such transactions, and make such expenditures as may be necessary to reclaim and return to original owners any and all farm lands now held, owned, or possessed by any person, firm, or corporation as the result of a foreclosure proceeding, suit at law or equity, or exercise of a power of attorney, wherever the original owners of such farm lands taken over during the years 1929, 1930, and 1931, wish to repossess or recapture same and such arrangement can be reasonably perfected.

SEC. 13. In all cases where farm lands are recaptured, repossessed, or resold to original owners the terms and rate of interest must be as lenient and reasonable, or more so, than the original foreclosed loan, and the corporation shall pay or purchase all interest coupons or notes due or to become due on or before November 1, 1933, by such repurchase as the result of the new transaction.

SEC. 14. All money expended under this section shall be evidenced by a series of notes of equal amount falling due each year for 10 years, beginning November 1, 1934, drawing interest from date at 4 per cent, signed or executed by the original borrower, his heirs, executor, administrator, or assigns, and constitute or be secured by a lien second only to the balance or amount due on the original loan.

SEC. 15. In connection with the transactions herein provided for, arrangement shall be made for the preservation of the security, the payment of taxes and any payment or curtailment the borrower may be able to make before November 1, 1934, whether on money advanced hereunder or in anticipation of interest or installments to become due after November 1, 1933.

SEC. 16. The corporation shall make such payment of taxes now due or to become due and take such transfer of tax liens as may be necessary to carry into effect the purposes of this act, and shall extend the same privileges of payment as to money expended for this purpose as is herein provided for money spent in connection with interest.

SEC. 17. No money shall be expended under this act for the purchase of any interest coupon or note, or for the repurchase of any land, or in any way whatsoever where taking into consideration the prevailing market prices of farm land at the time of such loan transaction, the original loan connected therewith, when negotiated, was not amply secured.

In furtherance of the purposes of this act and for the purpose of aiding the farmers in any State on lands which have been drained and/or irrigated and/or protected from the flood waters of a stream or streams or other waters by means of levees or other improvements by duly organized drainage districts, levee districts, levee and drainage districts, irrigation and/or similar districts on other than Federal projects, counties, boards of supervisors, and/or other political subdivisions and legal entities existing under and by virtue of the laws of the State where located, where for the payment of such works there are now outstanding bonds or warrants, certificates of indebtedness, or other lawful indebtedness, and/or unpaid judgments, the corporation is authorized to loan to any such district of legal entity an amount sufficient to redeem such bonds, certificates of indebtedness, or lawful indebtedness, and unpaid judgments, warrants, and the accrued interest thereon, in the manner and under such restrictions and conditions as are hereinafter set forth.

SEC. 18. Hereinafter, whenever the word "district" appears in the act it shall be interpreted to include drainage district, levee



districts, levee and drainage districts, irrigation and/or similar district other than Federal projects, counties, boards of supervisors, and/or political subdivisions, and legal entities; and whenever the word "bonds" appears in the act it shall be interpreted to include certificates of indebtedness or other lawful indebtedness and/or unpaid judgments and/or warrants.

Sec. 19. Loans shall be made only to the legally constituted authority which has issued the bonds, or its successor in interest, and not unto it until the corporation has satisfied itself by such examination of the engineering works for which the legal obligations were issued, as it may deem necessary, of the reasonably successful operation thereof, and that the lands designed to be benefited by these works are receiving benefit to a reasonable degree.

The corporation shall make or cause to be made an appraisal of the value of the taxable property of each district making application for a loan, as well as of its economic value, and no loan may be made until the corporation is satisfied it will be paid at maturity.

Loans may be made annually or otherwise to take up the principal of and/or accrued interest on the aforesaid bonds already due and unpaid and/or as they become due: *Provided, however*, That when the amount of the loan applied for to take up the bonds already issued against the district applying for the loan is greater than the appraisal indicates would be paid at maturity, the corporation may loan an amount which in its judgment would be secured as to payment at maturity, when and if the authority to bond a district and the holders of the outstanding bonds of said district by mutual agreement would agree to issue and to accept bonds the maturity of which shall be subsequent to the refunding bonds issued under the provisions of this act for the amount of the difference between the outstanding bonds and that which the corporation would decide to loan for the Government, or to make other arrangements satisfactory to the corporation: *Provided further*, That the corporation before making the loan must be satisfied that satisfactory legal authority exists for and ample provisions have been made to annually tax the taxable property accepted as security for the bonds issued sufficient to pay the maintenance expenses of the district for a period equaling the life of the loan, and beginning at the end of 10 years the annual taxes must be sufficient to establish a sinking fund which will retire the loan at the maturity dates fixed by the corporation. All money collected for the sinking fund must be deposited in the Treasury of the United States to the credit of the debtor, but may be transferred into the revolving fund by the Treasurer of the United States on application by the corporation.

Sec. 20. That the corporation is hereby authorized and empowered to negotiate with the owners and holders of the bonds and other evidences of debts of the various districts hereinbefore referred to for the purpose of compromising and reducing the amount of existing indebtedness, both of principal and interest, and the corporation is accordingly given full power and authority to make such adjustments before the loans herein provided are made.

Sec. 21. Loans shall be made for a period not exceeding 40 years, to be determined by the corporation in each case, which shall bear interest at a rate of 3 per cent per annum, payable annually: *Provided, however*, That during the first five years of the loan the interest may in the discretion of the corporation accrue and be payable during the succeeding years of the loan in equal annual installments.

Loans shall be secured by the issuance and delivery to the Secretary of the Treasury by the legally constituted authority, refunding bonds payable to the United States in the amount of the loan, and it shall be and appear on the face of each bond that it is a lien on all the taxable property within said district and/or the benefits assessed against said property, and the corporation shall fix the dates of the maturities of said bonds: *Provided, however*, That no district may issue additional bonds for any purpose without having first obtained the written consent of the corporation as long as it is in debt hereunder.

Sec. 22. Whenever any district shall have sold any property in said district for unpaid taxes and shall have bought in the same, and shall hold the title to such land, then the corporation shall require, when any loan is made to said district, that the district allow the owner at the time of such sale and purchase, or his heirs at law, executors, administrators, or assigns, to repurchase said land for no greater sum than that for which it was sold and purchased, plus taxes which have accrued on the same since the date of said sale: *Provided, however*, That the owner, his heirs at law, executors, administrators, assigns, or grantees shall exercise such right within two years after the date of said purchase by the district, and the district shall, at the time of the exercising of the right to repurchase, hold title to the lands sought to be redeemed.

#### CIRCULATION OF GOVERNMENT BONDS

Mr. KELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a leading editorial from the Washington Post upon currency.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. KELLER]?

There was no objection.

Mr. KELLER. Mr. Speaker, ladies and gentlemen of the House, I have just read of the failure of another bank in one of the counties of the district which I have the honor to represent. This leaves just one bank remaining in that county. In the county to the north of this one all of the banks have failed. There is no longer a depression in these communities; it now amounts to a catastrophe. Although I have thus far confined my remarks to these two counties, I want to say to you ladies and gentlemen that this situation which I have just described is not local but is occurring daily throughout the United States. Two thousand two hundred and ninety banks have failed in the year just past. Saturday two banks in the city of Hartford, Conn., failed for the tremendous sum of \$25,000,000, of which amount \$22,500,000 represented the savings accounts of the workers of that city.

The National Credit Corporation has been formed to prevent such failures as these. It has not prevented failure in the instances I have just described, nor did it prevent failure of those 45 banks in the State of South Carolina which went down in a single day last week. I do not know why this scheme has failed to work.

On December 28, 1931, I gave out an interview in which I discussed the necessity for immediate action upon the bill (H. R. 6720) which I introduced Monday of this week, which provides the circulation privilege to all Government bonds. Feeling that there might be some delay in securing action on that bill, I also introduced one which provides for an emergency circulation fund (H. R. 6704). Before doing this I discussed the matter very carefully with many individuals, and especially the Hon. Robert L. Owen, whom I regard as one of the men most eminently qualified by experience, knowledge, and judgment to determine the value of such a proposal, both as to its inherent merit to accomplish the purpose intended and as to the necessary provisions for safety to the Nation and its resources. I am glad to say to you that this measure has his unqualified approval.

Under the present Federal reserve act new currency can be issued by the Treasury Department only upon demands of banks holding commercial paper not over 90 days in extent. Government bonds are not included.

If you will refer to the CONGRESSIONAL RECORD, page 229, you will find that my colleague Mr. HAWLEY stated that—

While there are \$7,000,000,000 of eligible paper in the country, it is largely concentrated in a small number of banks. The great body of it is held by a few banks. Many banks throughout the country have good business, adequate assets, and good credit; but the paper they have is not eligible for rediscount in the Federal reserve system. Consequently when they get to a certain point they must refuse loans.

Ladies and gentlemen, that is the most significant statement bearing directly upon our difficulties that has been made on the floor of this House during this Congress. It means much more than it appears to mean.

It means that a small group of men are in control of the credits of the whole United States. It means that they have it within their power to withhold these credits from the country until it suits their interests to do otherwise. It means to the remaining banks in your district and in my district that the eligible paper that they require before they can get money is concentrated in the hands of a few who will not let loose of it.

Mr. HAWLEY has said that there are many banks throughout this country that have good business, adequate assets, and good credit, but no eligible paper. Without eligible paper, can any one of you tell me just how these banks are to get money? The answer is very evident; they can not. Each of you knows of his own personal experience of at least one bank that has failed in your district for no other reason than that it could not get currency to meet the demands of its depositors for cash. Its business was good, it had adequate assets, but no eligible paper; therefore it could not get the currency that its depositors demanded.

What is eligible paper? It is nothing more than the paper of reliable business institutions backed by commodities and a promise to pay in 90 days. How many reliable business institutions are now operating to such an extent that their



paper will be considered eligible for discount by a local bank? The best test you can give this question is to ask your local banker. How, then, are we to obtain the currency so necessary if we are to prevent additional bank failures? Local banks in themselves are powerless. The small group mentioned by Mr. HAWLEY will not supply the currency.

Some of you are asking that the gates to the Treasury be opened by way of the Federal reserve by increasing the kinds of paper eligible for rediscount. In other words, some would like to fill up the portfolios of our Federal reserve banks with paper which, even in time of prosperity, was not considered desirable for one reason or another. It most certainly does not become any more desirable under such stringent conditions as we have at the present. No one of us is under any illusion regarding the defeat of any such proposal, even if it were enacted into law. The same thing would happen then that is happening now. The new eligible paper could as easily be cornered and controlled as is the present eligible paper.

The saving of our remaining banks from failure is but one of the things which we must prevent. We must go even further, and see to it that the business of the country is enabled to get currency so that men can be put to work.

The facts are these: Nominally there is approximately \$4,800,000,000 in circulation. Of this amount how much is now turning over in the actual conduct of business? It is the latter amount which is of great concern. The constant withdrawal of currency from our banks, which began shortly after the crash on the stock market in October, 1929, is the precipitating cause of many of these failures. Much of this money is being hoarded in safety-deposit boxes and other places of hiding. There is no way of actually determining the amount thus hoarded. The estimates vary from a billion and a quarter to two billion dollars. There is another amount out of circulation which is equally hard to estimate; this is some part of the \$346,000,000 in greenbacks of Civil War time plus nearly \$800,000,000 of national-bank notes. Much of these two moneys is out of circulation, due to fire, loss, and in numismatic collections. An additional half billion of American money is in circulation in European and South American countries. To these must be added the enormous sums of money tied up in closed banks.

These items taken together will very closely approximate two and a half billion dollars that has by some means or another been taken entirely and completely out of circulation. This leaves a little more than \$2,000,000,000 circulating in the hands of the people. Much of this amount, however, is also being hoarded, because fear has so gripped the people that they will no longer spend their money for anything except the barest necessities.

Right now in many of your districts, I know it is true of my own, people have resorted to the old method of barter. Men are exchanging their work for food. Why is this done? Simply because money, right now, is so scarce. Why is it scarce? First, \$7,000,000,000 of eligible paper is in control of a few banks whose officials do not think it would profit their banks to add to our present supply of currency. Second, approximately \$2,000,000,000 that is being hoarded in safety-deposit boxes and other places of hiding. Third, those who have money are spending only for the barest necessities. Why? Because they fear that they can not get any more.

As I have previously pointed out the per capita circulation of wealth has gone down from \$53.21 in 1920 to not more than \$20 at the present time. It is true that the Treasury statements show a greater circulation than this, but it is not a true picture of the conditions, for they, of course, can not take into consideration the great hoarding of money that they themselves admit is taking place.

There is a very simple remedy for this fearsome situation. One which, if applied, will within 48 hours break the back of this panic. I make this all-inclusive statement only after due deliberation of the magnitude of its promise. This country at the present time has outstanding the great sum

of \$14,297,000,000 in bonds. Fortunately this is not all in the hands of a few but is scattered over the length and breadth of the land. Under the terms of my bill any bank, corporation, or citizen can take whatever bonds possessed by them to the Treasury of the United States and secure 90 per cent of their market value in new currency of the United States.

A perusal of the provisions of this bill will convince anyone of the protection afforded both to the individual and to the Government. In its simplest terms, it means that the people of the United States will once more be able to get money. If they get money, it means that men will be put to work. And that, ladies and gentlemen, is the thing in which I am most interested—a job for every man and woman who wants to work.

The plan I propose is simple and direct, with no tollgates in the way. I go to Uncle Sam and say, "Uncle Sam, I loaned you \$1,000 last year at 4 per cent and I find myself in great need of cash, through no fault of my own. Please lend me \$900 on your bond. I can not get cash anywhere else, and I will pay you the money back in 12 months, or you can keep the bond as a forfeit."

Please tell me what is wrong about that.

I submit herewith the following editorial from the Washington Post on this subject, following my interview of the previous Tuesday:

[From the Washington Post, Saturday, January 2, 1932]

#### TURN BONDS INTO MONEY

The amount of cash withdrawn from banks and hoarded by the people is estimated at \$1,000,000,000. If this cash were in banks it would furnish a basis of credit amounting to twenty times as much, or \$20,000,000,000.

The total amount of money nominally in circulation is over \$4,800,000,000, amounting to \$38 per capita. The amount actually in circulation is much less. The people have withdrawn and hoarded immense sums from circulating money, as well as from banks. The amount hoarded is unknown, but it is conservatively estimated that the total is equivalent to the shrinkage of \$40,000,000,000 of credit.

The value of stocks diminished \$60,000,000,000 after the market crash in 1929, affecting 17,000,000 stockholders. Real estate and other property diminished in value. Much of the apparent loss was unreal, because of fictitious values, but there were real losses running into billions. Property is now undervalued, because of pessimism and loss of confidence. Much property will recover normal value when confidence is restored.

There is a stringency of money in circulation. The dollar has an abnormal value because of the scarcity of dollars. A dollar will buy \$1.45 worth of commodities. It will buy ten times as much stock on the New York Stock Exchange as it could buy in 1929. It can buy 40 per cent more factory labor. Millions of citizens are unable to obtain these dollars at any price in exchange for labor.

The country needs more dollars, not inflated dollars, but 100-cent gold-value dollars.

Section 4 of the Federal reserve act authorizes the reserve banks to deposit United States Government bonds with the circulating privilege and receive from the Comptroller of the Currency Federal reserve bank notes of the same par value as the bonds.

Congress is about to authorize the issuance of bonds to help make up the Treasury deficit. Why should not these bonds carry the circulating privilege and be exchanged for Federal reserve bank notes? The release of \$1,000,000,000 in Federal reserve bank notes, secured by the equivalent in bonds, would release \$20,000,000,000 of credit on a solid gold basis.

At present there are no bonds with the circulating privilege available for deposit with the Comptroller of the Currency. Unless the circulating privilege is stipulated in the forthcoming issue the Treasury will still further draw upon the public money resources, which are already too scanty to do the country's business. With the bonds exchangeable for Federal reserve bank notes, the Treasury could pay out these notes for Government expenditures and thus put new money in circulation, thereby releasing an immense amount of credit.

With the passing of the emergency the bonds and notes should be retired, as the dollar and commodity prices will have returned to normal and there will be no need of extra circulation.

The Federal reserve act contemplates the issuance of Federal reserve bank notes secured by United States bonds in times of emergency. The emergency now exists, and yet the relief provided for by law has not been granted by Congress.

#### MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

##### JUVENILE COURT, DISTRICT OF COLUMBIA

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the District of Columbia.



*To the Congress of the United States:*

I transmit herewith for the information of the Congress a communication from the judge of the Juvenile Court of the District of Columbia, together with a report covering the work of the juvenile court during the year ended June 30, 1931.

HERBERT HOOVER.

THE WHITE HOUSE, January 8, 1932.

REIMBURSEMENT OF CERTAIN OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE OF THE UNITED STATES

Also the following message from the President, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs.

*To the Congress of the United States:*

I inclose herewith a report which the Secretary of State has addressed to me in regard to claims of certain officers and employees of the Foreign Service of the United States for reimbursement of losses of personal property suffered by them as a result of the earthquake occurring at Managua, Nicaragua, on March 31, 1931.

I recommend that an appropriation in the amount suggested by the Secretary of State be authorized in order to relieve these officers and employees of the Government of the burden these losses have occasioned.

HERBERT HOOVER.

THE WHITE HOUSE.

Inclosures: Report of the Secretary of State, with inclosures.

EXTENSION OF REMARKS

Mr. TARVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating therein a very short portion of the report made by the Social Service Commission of the Georgia Baptist Convention, touching certain social problems.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks as indicated. Is there objection?

Mr. SNELL. Mr. Speaker, inasmuch as the gentleman from Massachusetts [Mr. UNDERHILL] objected to this request the other day, I must now object.

The SPEAKER. Objection is heard.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. WITHROW (at the request of Mr. PEAVEY) on account of the death of his mother.

HOURLY OF MEETING TO-MORROW

Mr. RAINEY. Mr. Speaker, I desire to state that it is the intention to conclude this bill to-morrow and to get a vote on it, even if a night session is necessary. I want to request that all gentlemen on this side be present to-morrow, and I have no doubt the gentleman from New York wants all Members on his side to be present, and I propose to ask unanimous consent to convene at 11 o'clock to-morrow for that purpose. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until to-morrow, Saturday, January 9, 1932, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

358. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on preliminary examination and survey of Mayaguez Harbor,

P. R. (H. Doc. No. 215); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

359. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on preliminary examination of Rogue River, Oreg., upstream from Gold Beach; to the Committee on Rivers and Harbors.

360. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on preliminary examination of Cooper River, S. C., from the mouth of Goose Creek to Quimby Creek, also with a view to eliminating the bend about 3 miles below the junction of the east and west branches of said river; to the Committee on Rivers and Harbors.

361. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on preliminary examination of Yellow Creek and other tributaries of the Cumberland River in and about Middlesboro, Ky., with a view to the control of their floods (H. Doc. No. 216); to the Committee on Flood Control and ordered to be printed, with illustrations.

362. A letter from the Comptroller General, transmitting a special report on the financial transactions of the United States Shipping Board Merchant Fleet Corporation, dealing with matters arising in the audit of the accounts (H. Doc. No. 217); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

363. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on preliminary examination and survey of Rollinson Channel leading from Pamlico Sound to Hatteras, N. C. (H. Doc. No. 218); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

364. A communication from the President of the United States, transmitting for consideration of Congress an amendment of the estimate of appropriation for Federal, boundary, and State surveys, Coast and Geodetic Survey, Department of Commerce (H. Doc. No. 219); to the Committee on Appropriations and ordered to be printed.

365. A letter from the Secretary of War, transmitting a draft of a bill to authorize credit under accounts of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LINTHICUM: Committee on Foreign Affairs. H. J. Res. 163. A joint resolution to provide an appropriation for expenses of participation by the United States in a general disarmament conference to be held in Geneva in 1932; with amendment (Rept. No. 30). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOWELL: Committee on the Territories. H. R. 308. A bill to provide for the appointment of an acting secretary of the Territory of Hawaii during the absence or illness of the Secretary; without amendment (Rept. No. 31). Referred to the House Calendar.

Mrs. NORTON of New Jersey: Committee on the District of Columbia. S. 1306. An act to provide for the incorporation of the District of Columbia Commission, George Washington Bicentennial; without amendment (Rept. No. 32). Referred to the House Calendar.

Mr. MANSFIELD: Committee on Rivers and Harbors. H. R. 6043. A bill authorizing the Secretary of War to reduce the penalty of the bond of the Brazos River Harbor Navigation District, of Brazoria County, Tex., furnished as surety for its doing certain work on the improvement of Freeport Harbor, Tex.; without amendment (Rept. No. 33). Referred to the Committee of the Whole House.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 6304. A bill to transfer Lavaca County from the Houston division to the Victoria division of the southern district of Texas; with amendment (Rept. No. 34). Referred to the House Calendar.



## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 3554) granting a pension to Frank B. Oatman, and the same was referred to the Committee on Invalid Pensions.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GRIFFIN: A bill (H. R. 7220) amending the river and harbor act, approved March 3, 1899, for the protection and preservation of the navigable waters of the United States; to the Committee on Rivers and Harbors.

By Mr. GAVAGAN: A bill (H. R. 7221) to establish a national conservatory of music for the education of pupils in music in all its branches, vocal and instrumental, and for other purposes; to the Committee on Education.

By Mr. KVALE: A bill (H. R. 7222) to amend the World War veterans' act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. HOWARD (by departmental request): A bill (H. R. 7223) to authorize the sale of parts of a cemetery reserve made for the Kiowa, Comanche, and Apache Indians in Oklahoma; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H. R. 7224) to repeal the act of Congress approved May 31, 1924 (43 Stat. L. 247), entitled "An act to authorize the setting aside of certain tribal land within the Quinalt Indian Reservation in Washington, for lighthouse purposes; to the Committee on Indian Affairs.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 7225) granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a free highway bridge across the Monongahela River between the city of Pittsburgh and the borough of Homestead, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Oregon: A bill (H. R. 7226) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States Naval Station at Guantanamo Bay, Cuba; to the Committee on Naval Affairs.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 7227) to authorize the Secretary of the Interior to make loans from the tribal trust fund of the Kiowa, Comanche, and Apache Tribes to members of such tribes; to the Committee on Indian Affairs.

By Mr. REID of Illinois: A bill (H. R. 7228) to amend the act entitled "An act granting pensions and increase of pensions to certain soldiers, sailors, and nurses of the war with Spain, the Philippine insurrection, or the China relief expedition, and for other purposes," approved June 2, 1930; to the Committee on Pensions.

By Mr. GASQUE: A bill (H. R. 7229) granting increase of pensions under the general law to soldiers, sailors, marines, members of the Coast Guard for disability incurred in service in line of duty, and the widows, minor children, dependent mothers and fathers of such soldiers, sailors, marines, and members of the Coast Guard when it has been shown that death was due to service or the result of a disability or disease contracted in the service in line of duty, and for other purposes; to the Committee on Pensions.

Also, a bill (H. R. 7230) granting uniform pensions to widows and children and dependent parents of certain persons who served the United States in time of war, and for other purposes; to the Committee on Pensions.

Also, a bill (H. R. 7231) for the better organization of the line of the Army, Navy, Marine Corps, and Coast Guard Service of the United States; to the Committee on Military Affairs.

By Mr. TARVER: A bill (H. R. 7232) providing for settlement of claims of officers and enlisted men for extra pay provided by act of January 12, 1899; to the Committee on Claims.

By Mr. HARE: A bill (H. R. 7233) to provide for the withdrawal of the sovereignty of the United States over the Philippine Islands and for the recognition of their independence; to provide for notification thereof to foreign governments; to provide for the assumption by the Philippine government of obligations under the treaty with Spain; to define trade and other relations between the United States and the Philippine Islands on the basis of a progressive scale of tariff duties preparatory to complete independence; to provide for the calling of a convention to frame a constitution for the government of the Philippine Islands; to provide for certain mandatory provisions of the proposed constitution; to provide for the submission of the constitution to the Filipino people and its submission to the Congress of the United States for approval; to provide for the adjustment of property rights between the United States and the Philippine Islands; to provide for the acquisition of land by the United States for coaling and naval stations in the Philippine Islands; to continue in force certain statutes until independence has been granted; and for other purposes; to the Committee on Insular Affairs.

By Mr. EVANS of Montana: A bill (H. R. 7234) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Historical Society of Montana for preservation and exhibition the silver service which was in use on the gunboat No. 9, *Helena*; to the Committee on Naval Affairs.

By Mr. JONES: A bill (H. R. 7235) to prevent the short selling of cotton and grain in future markets; to the Committee on Agriculture.

Also, a bill (H. R. 7236) to provide for the issuance of agriculture export debentures; to the Committee on Agriculture.

By Mr. VESTAL: A bill (H. R. 7237) to amend section 4886, Revised Statutes; to the Committee on Patents.

By Mr. FREE: A bill (H. R. 7238) to amend section 5 of the suits in admiralty act, approved March 9, 1920; to the Committee on the Judiciary.

By Mr. HUDDLESTON: A bill (H. R. 7239) to regulate the transportation of persons and property in interstate and foreign commerce by motor carriers operating on the public highways; to the Committee on Interstate and Foreign Commerce.

By Mr. MAPES: A bill (H. R. 7240) to authorize the allowance of claims for retainer pay filed before January 19, 1934; to the Committee on Naval Affairs.

By Mr. SIROVICH: A bill (H. R. 7241) concerning leave of absence and sick leave of civil-service employees of the United States Government and the government of the District of Columbia; to the Committee on the Civil Service.

By Mr. JENKINS: A bill (H. R. 7242) to designate United States Highway No. 50 as the George Washington Highway, and for other purposes; to the Committee on Roads.

By Mr. CHRISTOPHERSON: A bill (H. R. 7243) to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187); to the Committee on the Judiciary.

By Mr. CARTWRIGHT: A bill (H. R. 7244) to extend the time for allowing suits on insurance contracts under section 19 of the World War veterans' act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. VESTAL: A bill (H. R. 7245) to amend section 973, Revised Statutes; to the Committee on Patents.

By Mr. BOLAND: A bill (H. R. 7246) imposing an excise tax on motor busses and motor trucks operating over public highways of the United States of America as common carriers engaged in interstate commerce, providing for the assessment and collection thereof, and providing penalties for the violation of this act; to the Committee on Ways and Means.

By Mr. ALDRICH: A bill (H. R. 7247) authorizing the Rhode Island State Board of Public Roads and the State Highway Department of the State of Connecticut to construct, maintain, and operate a free highway bridge across the Pawcatuck River near the location of the present Broad Street Bridge between Westerly, R. I., and Stonington,



Conn.; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Oregon: A bill (H. R. 7248) authorizing the modification of the existing project for the Willamette River between Oregon City and Portland, Oreg.; to the Committee on Rivers and Harbors.

By Mr. QUIN (by request of the War Department): A bill (H. R. 7249) to amend section 1223 of the Revised Statutes of the United States, and the act entitled "An act to define the terms 'child' and 'children' as used in the acts of May 18, 1920, and June 10, 1922," approved February 21, 1929; to the Committee on Military Affairs.

By Mr. SIROVICH: A bill (H. R. 7250) creating national mortgage banks; to the Committee on Banking and Currency.

By Mr. GOSS: A bill (H. R. 7251) for the disposition of the Muscle Shoals property, and for other purposes; to the Committee on Military Affairs.

By Mr. DOUGLAS of Arizona: A bill (H. R. 7252) to authorize the Secretary of War to permit the use of a portion of a National Guard target range near Phoenix, Ariz., as a burial plot; to the Committee on Military Affairs.

By Mr. CONNERY: A bill (H. R. 7253) authorizing the Federal Radio Commission to assign to labor a cleared broadcasting channel; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 7254) to provide that the prevailing rate of wages shall be paid to laborers and mechanics on all public works; to the Committee on Labor.

By Mr. DISNEY: A bill (H. R. 7255) providing for the erection of a public building in the city of Claremore, Rogers County, Okla.; to the Committee on Public Buildings and Grounds.

By Mrs. ROGERS: A bill (H. R. 7256) to authorize the erection of a 100-bed addition to the United States Veterans' Administration hospital at Northampton, Mass.; to the Committee on World War Veterans' Legislation.

By Mr. JOHNSON of South Dakota: A bill (H. R. 7257) to amend section 301 of the World War veterans' act, as amended; to the Committee on World War Veterans' Legislation.

By Mr. COLTON: A bill (H. R. 7258) to provide for the protection of watersheds in and adjacent to national forests; to the Committee on Agriculture.

By Mr. REILLY: A bill (H. R. 7259) to provide allowances to widows and orphans of World War veterans; to the Committee on World War Veterans' Legislation.

By Mr. BYRNS: A bill (H. R. 7260) authorizing and directing the Secretary of Agriculture to establish and maintain a tobacco experiment and demonstration station in Montgomery County, Tenn.; to the Committee on Agriculture.

By Mr. GLOVER: Resolution (H. Res. 95) authorizing the President to call a conference of nations to discuss the ratio of money value of gold and silver; to the Committee on Foreign Affairs.

By Mr. GRIFFIN: Joint resolution (H. J. Res. 186) proposing an amendment to the eighteenth amendment of the Constitution of the United States and for the submission thereof to the people of the respective States through conventions elected on this one issue; to the Committee on the Judiciary.

By Mr. DAVILA: Joint resolution (H. J. Res. 187) to correct section 2 of the act of March 4, 1931, to coordinate the agricultural experiment station work and to extend the benefits of certain acts of Congress to the Territory of Porto Rico; to the Committee on Agriculture.

By Mr. GAVAGAN: Joint resolution (H. J. Res. 188) proposing an amendment to the Constitution of the United States vesting in the States certain powers; to the Committee on the Judiciary.

By Mrs. NORTON of New Jersey: Joint resolution (H. J. Res. 189) to provide that the present period of two years, during which owners of real property sold for taxes in the District of Columbia may redeem same, shall be extended to three years; to the Committee on the District of Columbia.

By Mr. JENKINS: Joint resolution (H. J. Res. 190) further restricting for a period of two years immigration into the United States; to the Committee on Immigration and Naturalization.

By Mr. PETTENGILL: Joint resolution (H. J. Res. 191) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

Also, joint resolution (H. J. Res. 192) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. LINTHICUM: Joint resolution (H. J. Res. 193) providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 7261) granting an increase of pension to Mary E. Mikesell; to the Committee on Invalid Pensions.

By Mr. AYRES: A bill (H. R. 7262) for the relief of John I. Saunders; to the Committee on Claims.

By Mr. BARTON: A bill (H. R. 7263) for the relief of Felix Maupin; to the Committee on Naval Affairs.

By Mr. BLAND: A bill (H. R. 7264) granting a pension to Lindsay Powers; to the Committee on Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 7265) to compensate Harriet C. Holaday; to the Committee on Foreign Affairs.

Also, a bill (H. R. 7266) granting a pension to Stella E. Moody; to the Committee on Pensions.

Also, a bill (H. R. 7267) granting an increase of pension to Kate Jayne Lafferty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7268) granting an increase of pension to Jennie S. Bruce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7269) granting an increase of pension to Mary A. Brownell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7270) granting a pension to Mary T. Cory; to the Committee on Invalid Pensions.

By Mr. CABLE: A bill (H. R. 7271) granting a pension to Mary S. Garner; to the Committee on Pensions.

Also, a bill (H. R. 7272) granting an increase of pension to Maria Hurley; to the Committee on Invalid Pensions.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 7273) granting a pension to Adolph Schaefer; to the Committee on Pensions.

By Mr. CARTWRIGHT: A bill (H. R. 7274) granting a pension to Alonzo L. Malone; to the Committee on Pensions.

By Mr. GAVAGAN: A bill (H. R. 7275) for the relief of Frederic W. Anderson; to the Committee on Claims.

By Mr. CAVICCHIA: A bill (H. R. 7276) for the relief of Thomas A. McGurk; to the Committee on Military Affairs.

By Mr. CLANCY: A bill (H. R. 7277) for the relief of Alexander Chilenyak; to the Committee on Claims.

Also, a bill (H. R. 7278) for the relief of Joseph Vigliotti; to the Committee on Claims.

Also, a bill (H. R. 7279) for the relief of Thomas J. DeManigold; to the Committee on Military Affairs.

By Mr. CONDON: A bill (H. R. 7280) granting a pension to Miles S. Jensen; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 7281) granting an increase of pension to Emma W. Mitchell; to the Committee on Pensions.

By Mr. CULKIN: A bill (H. R. 7282) granting an increase of pension to Mary Wilder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7283) granting a pension to Agnes Crawford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7284) for the relief of Julius S. Rockwell; to the Committee on Military Affairs.



Also, a bill (H. R. 7285) granting a pension to Mary E. Richley; to the Committee on Invalid Pensions.

By Mr. EATON of Colorado: A bill (H. R. 7286) to authorize the issuance of patents for certain lands in the State of Colorado to certain persons; to the Committee on the Public Lands.

By Mr. ESTEP: A bill (H. R. 7287) granting a pension to Felix Jaranowski; to the Committee on Pensions.

By Mr. EVANS of Montana: A bill (H. R. 7288) granting a pension to Frank C. Russell; to the Committee on Pensions.

By Mr. EVANS of California: A bill (H. R. 7289) for the relief of George Henry Clayberger; to the Committee on Military Affairs.

By Mr. FIESINGER: A bill (H. R. 7290) granting an increase of pension to Gertrude Crouse Kaup; to the Committee on Invalid Pensions.

By Mr. FREE: A bill (H. R. 7291) granting a pension to Dollie Hagle; to the Committee on Invalid Pensions.

By Mr. GILLEN: A bill (H. R. 7292) granting an increase of pension to Jack M. Doyle; to the Committee on Pensions.

By Mr. GRANFIELD: A bill (H. R. 7293) requesting the Secretary of War to grant to the city of Springfield, Mass., permission to construct and maintain a highway and bridge across United States military reservation at the Springfield Armory, Mass.; to the Committee on Military Affairs.

By Mr. GREENWOOD: A bill (H. R. 7294) granting an increase of pension to Mary E. Cole; to the Committee on Invalid Pensions.

By Mr. HALL of Illinois: A bill (H. R. 7295) conferring jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and render judgment on the claim of Edward Dubied & Co.; to the Committee on the Judiciary.

By Mr. HART: A bill (H. R. 7296) granting a pension to Frank B. Conklin; to the Committee on Pensions.

By Mr. HOGG of Indiana: A bill (H. R. 7297) granting an increase of pension to Lury E. Abramson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7298) granting an increase of pension to Allie Truesdell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7299) granting an increase of pension to Sarah A. Egolph; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 7300) to authorize William W. Hicks, major in the United States Army, to accept certain decorations conferred upon him by the President of the Austrian Republic and the President of the Czechoslovak Republic; to the Committee on Foreign Affairs.

Also, a bill (H. R. 7301) for the relief of William J. Fleming; to the Committee on Claims.

By Mr. JOHNSON of Missouri: A bill (H. R. 7302) granting a pension to Alice Drake; to the Committee on Invalid Pensions.

By Mr. JOHNSON of South Dakota: A bill (H. R. 7303) granting a pension to Harriet S. Weeks; to the Committee on Pensions.

Also, a bill (H. R. 7304) granting a pension to Harriet S. Nicholson; to the Committee on Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 7305) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products; to the Committee on the District of Columbia.

By Mr. KNOTSON: A bill (H. R. 7306) for the relief of James I. Coffey; to the Committee on Indian Affairs.

By Mr. LANKFORD of Virginia: A bill (H. R. 7307) for the relief of George T. Easton; to the Committee on Claims.

By Mr. LEAVITT: A bill (H. R. 7308) for the relief of Amy Turner; to the Committee on the Public Lands.

By Mr. LONERGAN: A bill (H. R. 7309) for the relief of Frank R. Scott; to the Committee on Claims.

By Mr. LUDLOW: A bill (H. R. 7310) granting a pension to John O. Allen; to the Committee on Pensions.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 7311) granting an increase of pension to Mary E. Derrick; to the Committee on Pensions.

Also, a bill (H. R. 7312) authorizing the Secretary of Agriculture to make disposition of certain public funds; to the Committee on Agriculture.

By Mr. MAJOR: A bill (H. R. 7313) granting an increase of pension to Lydia Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7314) granting an increase of pension to Laura N. Russell; to the Committee on Invalid Pensions.

By Mr. MALONEY: A bill (H. R. 7315) granting an increase of pension to Irma C. Manion; to the Committee on Pensions.

By Mr. MAPES: A bill (H. R. 7316) granting a pension to Mary G. Sherwood; to the Committee on Invalid Pensions.

By Mr. MARTIN of Massachusetts: A bill (H. R. 7317) for the relief of Jacinthe Cabral; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 7318) for the relief of Frank Drodowsky, otherwise known as Frank Weber; to the Committee on Military Affairs.

By Mr. MOREHEAD: A bill (H. R. 7319) granting an increase of pension to Nellie Marshall; to the Committee on Invalid Pensions.

By Mr. NELSON of Maine: A bill (H. R. 7320) granting an increase of pension to Mary E. Robinson; to the Committee on Invalid Pensions.

By Mr. NORTON of Nebraska: A bill (H. R. 7321) for the relief of the Fairmont Creamery Co., of Omaha, Nebr.; to the Committee on Claims.

By Mrs. NORTON of New Jersey: A bill (H. R. 7322) for the relief of James O'Malley; to the Committee on Claims.

Also, a bill (H. R. 7323) granting a pension to Eleanor Linder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7324) for the relief of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation; to the Committee on Claims.

By Mrs. OWEN: A bill (H. R. 7325) granting an increase of pension to Emma Wasserfall; to the Committee on Invalid Pensions.

By Mrs. RUTH PRATT: A bill (H. R. 7326) for the relief of Frederick S. Rollo; to the Committee on Claims.

By Mr. REID of Illinois: A bill (H. R. 7327) granting a pension to Marie Orlomowski; to the Committee on Pensions.

By Mr. SEGER: A bill (H. R. 7328) granting an increase of pension to John Harold De Vries; to the Committee on Pensions.

By Mr. SPARKS: A bill (H. R. 7329) granting an increase of pension to Mary I. Wise; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 7330) for the relief of the American-La France and Foamite Corporation of New York; to the Committee on Claims.

By Mr. STRONG of Kansas: A bill (H. R. 7331) granting an increase of pension to Martha Knight; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7332) granting an increase of pension to Treca Honey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7333) granting an increase of pension to Anna McCormick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7334) granting an increase of pension to Eliza A. Mercer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7335) granting an increase of pension to Mary J. Shirk; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7336) granting an increase of pension to Rosa Craig; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 7337) granting a pension to Houston Newton Warren; to the Committee on Pensions.

By Mr. TARVER: A bill (H. R. 7338) granting an increase of pension to Sarah E. Adair; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 7339) for the relief of Charles A. W. Gordon; to the Committee on Claims.

By Mr. THOMASON: A bill (H. R. 7340) granting a pension to Ruth T. Stuart; to the Committee on Pensions.

By Mr. THURSTON: A bill (H. R. 7341) for the relief of John M. Garrett; to the Committee on Claims.

By Mr. TIERNEY: A bill (H. R. 7342) granting an increase of pension to Sarah E. Clark; to the Committee on Invalid Pensions.



Also, a bill (H. R. 7343) granting a pension to Maria C. Hill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7344) granting a pension to Elmira D. Briggs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7345) granting an increase of pension to Katy J. Woodward; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 7346) granting an increase of pension to Sarah A. Swick; to the Committee on Invalid Pensions.

By Mr. WARREN: A bill (H. R. 7347) granting an increase of pension to Jack J. McLawhorn; to the Committee on Pensions.

By Mr. WASON: A bill (H. R. 7348) granting a pension to Eugene Barian; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 7349) granting an increase of pension to William B. Roberts; to the Committee on Pensions.

Also, a bill (H. R. 7350) for the relief of Oswald Hood Harney; to the Committee on War Claims.

Also, a bill (H. R. 7351) granting a pension to James P. Case; to the Committee on Pensions.

Also, a bill (H. R. 7352) granting a pension to Johnie G. Morris; to the Committee on Pensions.

Also, a bill (H. R. 7353) granting a pension to Mary A. Jackson; to the Committee on Pensions.

Also, a bill (H. R. 7354) granting a pension to Dennis G. Harkins; to the Committee on Pensions.

Also, a bill (H. R. 7355) granting a pension to Annie A. Edge; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

305. By Mr. AMLIE: Memorial of State Legislature of Wisconsin, urging enactment of legislation to credit income-tax payments made to the several States in payment of Federal income taxes; to the Committee on Ways and Means.

306. By Mr. BRIGGS: Petitions of a number of World War veterans residing in Galveston, Tex., urging the enactment of legislation relating to adjusted-service certificates; to the Committee on Ways and Means.

307. By Mr. CULLEN: Petition of the officers and members of Ladies' Auxiliary 37 to Branch 36, National Association of Letter Carriers, in meeting assembled at 110 East One hundred and twenty-fifth Street, New York City, on the 5th day of January, 1932, record their vigorous disapproval of H. R. 4711 and 5467, and urge Congress to defeat any proposals or measures seeking to reduce wages now paid to letter carriers in the Postal Service; to the Committee on Expenditures in the Executive Departments.

308. By Mr. DEROUEN: Petition of rice growers, farmers, millers, and bankers of Crowley, La., urging Congress to bring about such action through the Federal Farm Board for the disposal of some of the American-grown rice to China and Japan, on the same terms of credit as was used in the sales of wheat to these foreign countries; to the Committee on Agriculture.

309. By Mr. GARBER: Petition of A. P. W. Pulp & Power Co. (Ltd.), Albany, N. Y., urging support of House bill 28, providing for the construction of a vessel for the Coast Guard designed for ice-breaking and assistance work on the Hudson River; to the Committee on Interstate and Foreign Commerce.

310. Also, petition of Marsh & Truman Lumber Co., Chicago, Ill., urging support of House bill 28; to the Committee on Rivers and Harbors.

311. Also, petition of the United States Naval Reserve Officers' Association, protesting against reductions in naval appropriations; to the Committee on Appropriations.

312. Also, petition of the Chamber of Commerce of Anadarko, Okla., urging appropriations for the Riverside Indian School, at Anadarko, Okla., and the Fort Sill Indian School, at Lawton, Okla., to provide for necessary building and equipment; to the Committee on Appropriations.

313. By Mr. JOHNSON of Texas: Petition of F. W. Welch, of Mexia, Tex., opposing a Federal sales tax on motor vehicles; to the Committee on Ways and Means.

314. By Mr. KVALE: Petition of the Johnson-Roll-Dougherty Post, No. 187, of the American Legion, urging enactment of the insurance plan of benefits for ex-soldiers; to the Committee on World War Veterans' Legislation.

315. By Mr. McCORMACK: Petition of the Supreme Court, Foresters of America, in convention assembled in Boston, Mass., September 1, 1931, urging modification or repeal of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

316. By Mr. MEAD: Petition of members of the United States Immigration Inspectors' Association, opposing reduction of Federal salaries; to the Committee on Expenditures in the Executive Departments.

317. By Mr. PATMAN: Petition signed by Paul M. Schell and 23 other World War veterans, of Philadelphia, Pa., who marched from that city to Washington for the purpose of urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

318. By Mr. PERSON: Resolution of city commission of the city of Ferndale, Mich., favoring legislation which provides for the creation of a sinking fund to refinance legally constituted drainage districts; to the Committee on Irrigation and Reclamation.

319. Also, petition of citizens of Detroit, Mich., to enact legislation to curb the activities of the chain-store system; to the Committee on the Judiciary.

320. By Mr. RUDD: Petition of Tobacco Merchants Association of the United States, opposing the proposed additional tax on cigarettes and tobacco; to the Committee on Ways and Means.

321. Also, petition of National Council of the Steuben Society of America, favoring the repeal of the eighteenth amendment; to the Committee on the Judiciary.

322. Also, petition of League of the American Civil Service, Washington, D. C., opposing salary reduction of Federal employees; to the Committee on Expenditures in the Executive Departments.

323. Also, petition of the Federal Bar Association, Washington, D. C., opposing the passage of the Rich bill, H. R. 4711, or any similar proposal reducing the salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

324. By Mr. SANDERS of Texas: Petition of Joe Byers and numerous other citizens of Kemp, Tex., for the remaining part of their adjusted-service certificates and for pensions for World War widows; to the Committee on Ways and Means.

325. By Mr. SNOW: Petition of Harry W. Grinnell and many other citizens of Fort Kent, Me., favoring action by Congress to place highway trucks and bus lines under regulations; to the Committee on Interstate and Foreign Commerce.

326. By the SPEAKER: Petition of John F. Hanson, of Lindsborg, Kans., to impeach the present Justices of the Supreme Court of the United States; to the Committee on the Judiciary.

## SENATE

SATURDAY, JANUARY 9, 1932

(Legislative day of Thursday, January 7, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Bingham	Brookhart	Caraway
Austin	Black	Bulkeley	Carey
Bailey	Blaine	Bulow	Connally
Barbour	Borah	Byrnes	Coolidge
Barkley	Bratton	Capper	Copeland